CRESUD INC
Form 6-K
May 29, 2018

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Financial Statements as of March 31, 2018 and for the nine-month and three-month periods ended as of that date, presented comparatively.

Legal Information

Denomination: Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Fiscal year N°: 85, beginning on July 1, 2017

Legal address: Moreno 877, 23rd floor – Autonomous City of Buenos Aires, Argentina

Company activity: Real estate, 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: October 31, 2014 and its reinstatement on November 14, 2014

Expiration of Company charter: June 6, 2082

Registration number with the Supervisory Board of Companies: 26, folio 2, book 45, Stock Companies

Stock: 501,642,804 common shares

Common stock subscribed, issued and paid up (millions of Ps.): 502

Parent Companies: Inversiones Financieras del Sur S.A. and Agroinvestment S.A.

Legal addresses: Road 8, km 17,500, Zonamérica Building 1, store 106, Montevideo, Uruguay (IFISA) - Cambara 1620, 2nd floor, office 202, Carrasco, 11000 Montevideo, Republic of Uruguay (Agroinvesment S.A.)

Parent companies' activity: Investment

Direct ownership interest: 174,173,103 shares

Voting stock (direct and indirect equity interest): 35.17% (*)

	CAPITAL STATUS	
Type of stock	Authorized to be offered publicly (Shares)	Subscribed, Issued and Paid-in (millions of Ps.)
Ordinary certified shares of Ps. 1 face value and 1 vote each	501,642,804 (**)	502

(*) For computation purposes, Treasury shares have been subtracted.
(**) Company not included in the Optional Statutory System of Public Offer of Compulsory Acquisition.

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Glossary of terms

The following are not technical definitions, but help the reader to understand certain terms used in the wording of the notes to the Group's Financial Statements.

Terms	Definitions
Acres	Agropecuaria Acres del Sud S.A.
Adama	Adama Agricultural Solutions Ltd.
Agropecuarias SC	Agropecuarias Santa Cruz de la Sierra S.A.
BACS	Banco de Crédito y Securitización S.A.
Baicom	Baicom Networks S.A.
BASE	Buenos Aires Stock Exchange
BCRA	Central Bank of the Argentine Republic
BHSA	Banco Hipotecario S.A.
Brasilagro	Brasilagro-Companhia Brasileira de Propriedades Agrícolas
CAMSA	Consultores Assets Management S.A.
Carnes Pampeanas	Sociedad Anónima Carnes Pampeanas S.A.
Cellcom	Cellcom Israel Ltd.
Clal	Clal Holdings Insurance Enterprises Ltd.
CLN Token	Colu Token
CNV	National Securities Commission
Condor	Condor Hospitality Trust Inc.
Cresud, "the Company", "us"	Cresud S.A.C.I.F. y A.
Cyrsa	Cyrsa S.A.
DIC	Discount Investment Corporation Ltd.
Dolphin	Dolphin Fund Ltd. and Dolphin Netherlands B.V.
Financial Statements	Unaudited Condensed Interim Consolidated Financial Statements
Annual Financial Statements	Consolidated Financial Statements as of June 30, 2017
ETH	C.A.A. Extra Holdings Ltd.
CPF	Collective Promotion Funds
IASB	International Accounting Standards Board
IDB Tourism	IDB Tourism (2009) Ltd.
IDBD	IDB Development Corporation Ltd.
IFISA	Inversiones Financieras del Sur S.A.
IRSA	IRSA Inversiones y Representaciones S.A.
IRSA CP	IRSA Propiedades Comerciales S.A.
Israir	Israir Airlines & Tourism Ltd.
Lipstick	Lipstick Management LLC
LRSA	La Rural S.A.
Metropolitan	Metropolitan 885 Third Avenue Leasehold LLC
New Lipstick	New Lipstick LLC
IAS	International Accounting Standards
IFRS	International Financial Reporting Standard
NIS	New Israeli Shekel
NPSF	Nuevo Puerto Santa Fe S.A.
Ombú	Ombú Agropecuaria S.A.
NCN	Non-convertible notes
PBC	Property & Building Corporation Ltd.
PBEL	PBEL Real Estate Ltd.
Quality	Quality Invest S.A.

Shufersal	Shufersal Ltd.
Tarshop	Tarshop S.A.
Yuchan	Yuchán Agropecuaria S.A.
Yatay	Yatay Agropecuaria S.A.

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position
as of March 31, 2018 and June 30, 2017
(All amounts in millions, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

	Note	03.31.18	06.30.17
ASSETS			
Non-current assets			
Investment properties	8	121,960	100,189
Property, plant and equipment	9	37,189	31,150
Trading properties	10	4,068	4,534
Intangible assets	11	13,877	12,443
Biological assets	12	832	671
Investment in associates and joint ventures	7	8,658	8,227
Deferred income tax assets	21	1,742	1,631
Income tax credit		322	229
Restricted assets	14	1,438	528
Trade and other receivables	15	6,276	5,456
Financial assets held for sale	14	7,509	6,225
Investment in financial assets	14	1,389	1,772
Derivative financial instruments	14	4	31
Other assets		129	-
Total non-current assets		205,393	173,086
Current assets			
Trading properties	10	3,189	1,249
Biological assets	12	1,527	559
Inventories	13	5,032	5,036
Restricted assets	14	1,079	541
Income tax credit		336	340
Financial assets held for sale	14	2,822	2,337
Groups of assets held for sale	31	3,220	2,681
Trade and other receivables	15	19,081	18,336
Investment in financial assets	14	18,955	11,853
Derivative financial instruments	14	44	65
Cash and cash equivalents	14	34,580	25,363
Total current assets		89,865	68,360
TOTAL ASSETS		295,258	241,446
SHAREHOLDERS’ EQUITY			
Shareholders' equity (according to corresponding statement)		19,271	16,405
Non-controlling interest		42,580	32,768
TOTAL SHAREHOLDERS' EQUITY		61,851	49,173
LIABILITIES			
Non-current liabilities			
Trade and other payables	18	2,561	3,988
Borrowings	20	145,373	112,025
Deferred income tax liabilities	21	24,057	23,125
Derivative financial instruments	14	16	86
Payroll and social security liabilities		101	140
Provisions	19	876	955

Employee benefits		930	763
Total non-current liabilities		173,914	141,082
Current liabilities			
Trade and other payables	18	27,437	21,970
Income tax and minimum presumed income tax liabilities		416	817
Payroll and social security liabilities		2,881	2,254
Borrowings	20	25,335	23,287
Derivative financial instruments	14	292	114
Provisions	19	950	894
Group of liabilities held for sale	31	2,182	1,855
Total Current liabilities		59,493	51,191
TOTAL LIABILITIES		233,407	192,273
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		295,258	241,446

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

PRICE WATERHOUSE & CO. S.R.L.

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(Socio)		
C.P.C.E.C.A.B.A. T° 1 F° 17		
Dr. Mariano C. Tomatis	Marcelo Héctor Fuxman	Fernando A. Elsztain
Contador Público (UBA)	Síndico Titular	Regular Director acting
C.P.C.E.C.A.B.A. T° 241 F° 118	Por Comisión Fiscalizadora	as President

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Income and Other Comprehensive Income
for the nine-month and three-month periods ended March 31, 2018 and 2017
(All amounts in millions, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

		Nine months		Three months	
	Note	03.31.18	03.31.17 (recast)	03.31.18	03.31.17 (recast)
Revenues	22	69,630	57,723	23,704	19,027
Costs	23	(48,164)	(40,695)	(16,443)	(13,420)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest		683	177	459	108
Changes in the net realizable value of agricultural products after harvest		155	(87)	66	(10)
Gross profit		22,304	17,118	7,786	5,705
Net gain from fair value adjustment of investment properties		12,950	3,616	1,283	(428)
Gain from disposal of farmlands		-	93	-	21
General and administrative expenses	24	(3,812)	(3,093)	(1,385)	(1,096)
Selling expenses	24	(12,597)	(10,314)	(4,554)	(3,495)
Other operating results, net	25	997	(106)	373	7
Management fees		(522)	(249)	(6)	(3)
Profit from operations		19,320	7,065	3,497	711
Share of profit of associates and joint ventures	7	679	131	299	78
Profit from operations before financing and taxation		19,999	7,196	3,796	789
Finance income	26	1,115	746	366	156
Finance cost (i)	26	(12,756)	(5,925)	(3,838)	(771)
Other financial results	26	1,955	2,589	724	966
Financial results, net	26	(9,686)	(2,590)	(2,748)	351
Profit before income tax		10,313	4,606	1,048	1,140
Income tax	21	104	(1,146)	(353)	(131)
Profit for the period from continuing operations		10,417	3,460	695	1,009
Profit / (Loss) from discontinued operations after income tax	32	187	3,056	(20)	(1,217)
Profit / (Loss) for the period		10,604	6,516	675	(208)
Other comprehensive income / (loss):					
Items that may be reclassified subsequently to profit or loss:					
Currency translation adjustment		2,434	2,375	1,350	1,212
Share of other comprehensive income loss of associates and joint ventures		897	584	683	73
Change in the fair value of hedging instruments net of income taxes		(3)	2	30	12
Others reserves		-	1	-	1
Items that may not be reclassified subsequently to profit or loss:					
Actuarial loss from defined benefit plans		(125)	(23)	(78)	(4)
		3,203	2,939	1,985	1,294

Other comprehensive income for the period from continuing operations				
Other comprehensive income for the period from discontinued operations	67	409	75	409
Total other comprehensive income for the period	3,270	3,348	2,060	1,703
Total comprehensive income for the period	13,874	9,864	2,735	1,495
Total comprehensive income from continuing operations	13,620	6,399	2,680	2,303
Total comprehensive income / (loss) from discontinued operations	254	3,465	55	(808)
Total comprehensive income for the period	13,874	9,864	2,735	1,495
Profit for the period attributable to:				
Equity holders of the parent	4,796	2,242	183	45
Non-controlling interest	5,808	4,274	492	(253)
Profit from continuing operations attributable to:				
Equity holders of the parent	4,720	966	196	248
Non-controlling interest	5,697	2,494	499	761
Total comprehensive income for the period attributable to:				
Equity holders of the parent	5,094	3,203	121	506
Non-controlling interest	8,780	6,661	2,614	989
Profit for the period per share attributable to equity holders of the parent:				
Basic	9.610	4.508	0.372	0.082
Diluted	9.487	4.486	0.292	0.081
Profit per share from continuing operations attributable to equity holders of the parent:				
Basic	9.458	1.942	0.397	0.496
Diluted	9.411	1.933	0.319	0.494

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

The previous period has been recast due to the change in the accounting policy for investment properties described in Note 2.2.a.
(i)
As of March 31, 2018, it includes Ps. (2,228) which corresponds to the DIC's debt exchange (see Note 20).
PRICE WATERHOUSE & CO. S.R.L.

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(Socio)		
C.P.C.E.C.A.B.A. T° 1 F° 17		
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Contador Público (UBA)	Síndico Titular	Regular Director acting
C.P.C.E.C.A.B.A. T° 241 F° 118	Por Comisión Fiscalizadora	as President

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
for the nine-month period ended March 31, 2018
(All amounts in millions, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

	Attributable to equity holders of the parent										
	Share capital	Treasury shares	Inflation adjustment of share capital and treasury shares (i)	Share premium	Additional paid-in capital from treasury shares	Legal reserve	Special reserve (ii)	Other reserves (iii)	Retained earnings	Subtotal	Non-contro interest
Balance as of June 30, 2017	499	3	65	659	20	83	1,516	2,496	11,064	16,405	32,768
Profit for the period	-	-	-	-	-	-	-	-	4,796	4,796	5,808
Other comprehensive income for the period	-	-	-	-	-	-	-	298	-	298	2,972
Total comprehensive income for the period	-	-	-	-	-	-	-	298	4,796	5,094	8,780
As resolved by Ordinary and Extraordinary Shareholders' Meeting held on October 31, 2017	-	-	-	-	-	-	-	-	-	-	-
- Legal reserve	-	-	-	-	-	30	-	-	(30)	-	-
- Cash dividends distribution	-	-	-	-	-	-	-	-	(395)	(395)	-
- Reserve for new developments	-	-	-	-	-	-	-	1,371	(1,371)	-	-
Reserve for share-based payments	-	-	-	-	-	-	-	5	-	5	46
Equity incentive plan granted	-	-	-	-	1	-	-	(1)	-	-	-
Changes in interest in subsidiaries	-	-	-	-	-	-	-	(1,656)	-	(1,656)	13
	-	-	-	-	-	-	-	(1)	-	(1)	-

Share of changes in subsidiaries' equity											
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	(943)
Dividends distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,952)
Acquisition of treasury stock	(4)	4	-	-	-	-	-	(181)	-	(181)	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	16
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	3,850
Issuance of capital	-	-	-	-	-	-	-	-	-	-	2
Balance as of March 31, 2018	495	7	65	659	21	113	1,516	2,331	14,064	19,271	42,580

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

(i)

Includes Ps. 1 and Ps. 1 of inflation adjustment of treasury shares as of March 31, 2018 and June 30, 2017, respectively.

(ii)

Corresponding to General Resolution 609/12 of the National Securities Commission. Note 19 to the Consolidated Financial Statements as of June 30, 2017.

(iii)

Group's Other reserves at March 31, 2018 are comprised as follows:

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	Cost of treasury shares	Changes in non-controlling interest	Reserve for currency translation adjustment	Reserve shared-based compensation	Reserve for new developments	Reserve for defined benefit plans	Hedging instruments	Reserve for the acquisition of securities issued by the Company	Other Reserves Subsidiari
Balance as of June 30, 2017	(24)	243	2,123	103	-	(23)	49	25	-
Other comprehensive income / (loss) for the period	-	-	332	-	-	(38)	4	-	-
	-	-	332	-	-	(38)	4	-	-

Total comprehensive income / (loss) for the period									
As resolved by Ordinary and Extraordinary Shareholders' Meeting held on October 31, 2017									
- Reserve for new developments	-	-	-	-	1,371	-	-	-	-
Reserve for share-based payments	-	-	-	5	-	-	-	-	-
Equity incentive plan granted	2	-	-	(3)	-	-	-	-	-
Changes in interest in subsidiaries	-	(1,656)	-	-	-	-	-	-	-
Acquisition of treasury stock	(181)	-	-	-	-	-	-	-	-
Share of changes in subsidiaries' equity	-	-	-	-	-	-	-	-	(1)
Balance as of March 31, 2018	(203)	(1,413)	2,455	105	1,371	(61)	53	25	(1)

PRICE WATERHOUSE & CO. S.R.L.

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Contador Público (UBA)	Síndico Titular	Regular Director acting
C.P.C.E.C.A.B.A. T° 241 F° 118	Por Comisión Fiscalizadora	as President

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
for the nine-month period ended March 31, 2017
(All amounts in millions, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

	Attributable to equity holders of the parent										
	Share capital	Treasury shares	Inflation adjustment of share capital and treasury shares (i)	Share premium	Additional paid-in capital from treasury shares	Legal reserve	Special reserve (ii)	Other reserves (iii)	Retained earnings	Subtotal	Non-contro interest
Balance as of June 30, 2016 (recast)	495	7	65	659	16	83	1,516	1,299	9,521	13,661	23,539
Profit for the period	-	-	-	-	-	-	-	-	2,242	2,242	4,274
Other comprehensive income for the period	-	-	-	-	-	-	-	961	-	961	2,387
Total comprehensive income for the period	-	-	-	-	-	-	-	961	2,242	3,203	6,661
As resolved by Ordinary Shareholders' Meeting held on October 30 and November 26, 2016:											
- Share Distribution	4	(4)	-	-	3	-	-	-	(4)	(1)	-
- Release of reserve for future dividends	-	-	-	-	-	-	-	(31)	31	-	-
Reserve shared-based compensation	-	-	-	-	-	-	-	10	-	10	73
Equity incentive plan granted	-	-	-	-	1	-	-	(5)	4	-	-
Changes in interest in subsidiaries	-	-	-	-	-	-	-	(143)	-	(143)	1,530
Incorporation by business	-	-	-	-	-	-	-	-	-	-	45

combination											
Capital reduction	-	-	-	-	-	-	-	-	-	-	(6)
Share of changes in subsidiaries' equity	-	-	-	-	-	-	-	-	-	-	(13)
Dividends distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(2,077)
Contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	-	2
Balance as of March 31, 2017 (recast)	499	3	65	659	20	83	1,516	2,091	11,794	16,730	29,754

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

The previous period has been recast due to the change in the accounting policy for investment properties described in Note 2.2.

(i)
Includes Ps. 1 and Ps. 1 of inflation adjustment of treasury shares as of March 31, 2017 and June 30, 2016, respectively.

(ii)
Corresponding to General Resolution 609/12 of the National Securities Commission. Note 19 to the Consolidated Financial Statements as of June 30, 2017.

(iii)
Group's Other reserves at March 31, 2017 are comprised as follows:

	Cost of treasury shares	Changes in non-controlling interest	Reserve for currency translation adjustment	Reserve shared-based compensation	Reserve for future dividends	Reserve for defined benefit plans	Hedging instruments	Reserve for the acquisition of securities issued by the Company	Total Other reserves
Balance as of June 30, 2016 (recast)	(32)	118	1,040	95	31	(6)	21	32	1,299
Other comprehensive income for the period	-	-	931	-	-	30	-	-	961
Total comprehensive income for the period	-	-	931	-	-	30	-	-	961

As resolved by Ordinary Shareholders' Meeting held on October 30 and November 26, 2016:									
- Share Distribution	7	-	-	-	-	-	-	(7)	-
- Release of reserve for future dividends	-	-	-	-	(31)	-	-	-	(31)
Reserve for share-based payments	-	-	-	10	-	-	-	-	10
Equity incentive plan granted	-	-	-	(5)	-	-	-	-	(5)
Changes in interest in subsidiaries	-	(143)	-	-	-	-	-	-	(143)
Balance as of March 31, 2017 (recast)	(25)	(25)	1,971	100	-	24	21	25	2,091

PRICE WATERHOUSE & CO. S.R.L.

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(Socio)
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Mariano C. Tomatis Contador Público (UBA) C.P.C.E.C.A.B.A. T° 241 F° 118	Marcelo Héctor Fuxman Síndico Titular Por Comisión Fiscalizadora	Fernando A. Elsztain Regular Director acting as President

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the nine-month periods ended March 31, 2018 and 2017
(All amounts in millions, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

	Note	03.31.18	03.31.17(recast)
Operating activities:			
Cash generated from continuing operating activities before income tax	16	9,566	6,601
Income tax paid		(849)	(784)
Net cash generated from continuing operating activities		8,717	5,817
Net cash generated from discontinued operating activities		256	234
Net cash generated from operating activities		8,973	6,051
Investing activities:			
Increase of equity interest in associates and joint ventures		(3)	-
Capital contributions to associates and joint ventures		-	(455)
Payment for subsidiary acquisiition, net of cash acquired		(651)	(46)
Proceeds from sale of equity interest in associates and joint ventures		305	-
Acquisition, improvements and advance payments for contructions of investment properties		(2,326)	(1,918)
Proceeds from sales of investment properties		566	238
Acquisitions and improvements of property, plant and equipment		(2,961)	(2,694)
Advance payments		(4)	(1)
Advanced proceeds from sales of farmlands		76	-
Proceeds from sales of property, plant and equipment		39	5
Proceeds from sales of farmlands		7	75
Proceeds from liquidation of associate		8	-
Acquisition of intangible assets		(725)	(333)
Acquisition of investments in financial assets		(18,528)	(3,070)
Proceeds from disposal of investments in financial assets		15,823	4,823
Interest received from financial assets		-	83
Increase in restricted assets, net		(744)	-
Loans granted to related parties		(345)	-
Loans		(102)	-
Loans repayment received		620	-
Loans repayment received from related parties		-	(92)
Dividends received from associates and joint ventures		111	-
Payment for other assets acquisition		(120)	-
Dividends received		57	219
Net cash used in continuing investing activities		(8,897)	(3,166)
Net cash (used in) / generated from discontinued investing activities		(101)	3,960
Net cash (used in) / generated from investing activities		(8,998)	794
Financing activities:			
Repurchase of non-convertible notes		(363)	(364)
Repurchase of treasury shares		(181)	-
Proceeds from borrowings		25,667	19,288
Repayment of borrowings		(13,993)	(13,249)
Proceeds / (payment) of short term borrowings, net		257	(875)
Payment of seller financing		(80)	-

Contributions from non-controlling interest		384	156
Acquisition of non-controlling interest in subsidiaries		(615)	(1,041)
Capital distribution of minority interest in subsidiaries		(58)	(72)
Dividends paid		(545)	(822)
Payment of derivative financial instruments		(395)	-
Proceeds from derivative financial instruments		(48)	14
Dividends paid to non-controlling interest in subsidiaries		(403)	-
Proceeds from sales of non-controlling interest in subsidiaries		3,352	2,663
Interest paid		(5,874)	(3,999)
Net cash generated from continuing financing activities		7,105	1,699
Net cash used in discontinued financing activities		(86)	(759)
Net cash generated from financing activities		7,019	940
Net increase in cash and cash equivalents from continuing activities		6,925	4,350
Net increase in cash and cash equivalents from discontinued activities		69	3,435
Net increase in cash and cash equivalents		6,994	7,785
Cash and cash equivalents at beginning of the period	14	25,363	14,096
Cash and cash equivalents reclassified to held for sale		(269)	(161)
Foreign exchange gain on cash and changes in fair value of cash equivalents		2,492	947
Cash and cash equivalents at the end of the period		34,580	22,667

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

The previous period has been recast due to the change in the accounting policy for investment properties described in Note 2.2.a.

PRICE WATERHOUSE & CO. S.R.L.

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Dr. Mariano C. Tomatis	Marcelo Héctor Fuxman	Fernando A. Elsztain
Contador Público (UBA)	Síndico Titular	Regular Director acting
C.P.C.E.C.A.B.A. T° 241 F° 118	Por Comisión Fiscalizadora	as President

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

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

1.
The Group's business and general information

Cresud 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, 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 directly principal subsidiary.

Cresud and its subsidiaries are collectively referred to hereinafter as the Group.

Main shareholders of the Company are jointly Inversiones Financieras del Sur S.A. and Agroinvestment S.A. Both entities are companies incorporated in Uruguay and the same controlling group and ultimate beneficiary.

These Financial Statements have been approved for issue by the Board of Directors on May 11, 2018.

As of March 31, 2018, the Group operates in two major lines of business: (i) agricultural business and (ii) urban properties and investments business, which is divided into two operations centers: (a) Operations Center in Argentina and (b) Operations Center in Israel. They are developed through several operating companies and the main ones are listed below:

(*)
Corresponds to Group's associates, which are hence excluded from consolidation.
(**)
See Note 4 for more information about the changes within the Operation Center in Israel.

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2.
Summary of significant accounting policies

2.1.
Basis of preparation of the Unaudited Financial Statements

The current Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", therefore, should be read together with the Annual Financial Statements of the Group as of June 30, 2017, prepared in accordance with IFRS in force. Furthermore, these Financial Statements include supplementary information required by Law N° 19,550 and/or regulations of CNV. Such information is included in notes to the Financial Statements according to IFRS.

These Financial Statements corresponding to the nine-month periods ended as of March 31, 2018 and 2017 have not been audited. The management considers they include all necessary adjustments to fairly present the results of each period. Results for the nine-month periods ended as of March 31, 2018 and 2017 do not necessarily reflect the proportion of the Group's full year results.

Under IAS 29 "Financial Reporting in Hyperinflationary Economies", the Financial Statements of an entity whose functional currency belongs to a hyperinflationary economy, regardless of whether they apply historic cost or current cost methods, should be stated at the current unit of measure as of the date of this Consolidated Financial Statements. For such purpose, in general, inflation is to be computed in non-monetary items from the acquisition or revaluation date, as applicable. In order to determine whether an economy is to be considered hyperinflationary, the standard lists a set of factors to be taken into account, including an accumulated inflation rate near or above 100% over a three year period.

For the Group's business in Argentina, considering the released inflation data, the declining inflation trend and in view that all other indicators do not lead to a final conclusion, the Management understands that there is no enough evidence to conclude that Argentina is a hyperinflationary economy. Therefore, no restatement has been applied on financial information, as set forth by IAS 29, for the reported periods. However, over the last years, certain macroeconomic variables, such as payroll costs and goods prices, have experienced significant annual changes, which should be taken into consideration in assessing and interpreting the financial situation and results of operations of the Group in these Financial Statements.

The consolidated Financial Statements are presented in millions of Argentine Pesos. Unless otherwise stated or the context otherwise requires, references to 'Peso amounts' or 'Ps.', are in Argentine Pesos, references to 'US$' or 'US Dollar' are in millions of United States dollars, references to 'Rs.' are in millions of Brazilian Reais and references to "NIS" are in millions of New Israeli Shekel.

2.2
Significant accounting policies

The accounting policies applied in the presentation of these Financial Statements are consistent with those applied in the preparation of the Annual Financial Statements under IFRS as described in Note 2 to the Annual Financial Statements as of June 30, 2017.

In addition to the policies described in the Annual Financial Statements, during the current period the Group acquired CLN tokens, which are valued at the lower value between the cost of acquisition and the net realizable value, and were classified as other non-current assets.

2.2.a)
Changes to Financial Statements previously issued due to change in accounting policies

As mentioned in Note 2 to the Consolidated Financial Statements as of June 30, 2017, during the fiscal year ended June 30, 2017 the Group's Board of Directors decided to change the accounting policy for investment property from cost model to fair value model, as permitted under IAS 40. Therefore, the previously issued Interim Financial Statements were retroactively changed as required by IAS 8.

The tables below include the reconciliation between the Statements of Income and of the Statements of Comprehensive Income for the nine and three-month periods ended March 31, 2017 as they were originally issued, and the statements included in these Financial Statements for comparative purposes. There is no impact on the relevant total amounts in the Consolidated Statement of Cash Flows.

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Statement of Income and Other Comprehensive Income for the nine-month period ending as of March 31, 2017:

	Nine months 03.31.17 (as originally issued)	03.31.17 (adjustment)		03.31.17 (other reclassifications) i)	03.31.17 (recast)
Sales, rental and services income	57,723	-		-	57,723
Costs	(42,485)	2,122	a) and h)	(332)	(40,695)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	1,468	(1,291)	h)	-	177
Changes in the net realizable value of agricultural products after harvest	(87)	-		-	(87)
Gross profit / (loss)	16,619	831		(332)	17,118
Gain / (loss) from disposal of investment properties	209	(181)	b)	(28)	-
Net gain from fair value adjustment of investment properties	-	3,677	c)	(61)	3,616
Gain from disposal of farmlands	93	-		-	93
General and administrative expenses	(3,123)	-		30	(3,093)
Selling expenses	(10,612)	-		298	(10,314)
Other operating results, net	(119)	(19)		32	(106)
Management fees	(115)	(134)	f)	-	(249)
Profit / (loss) from operations	2,952	4,174		(61)	7,065
Share of (loss) / profit of associates and joint ventures	(163)	229	d)	65	131
Profit before financing and taxation	2,789	4,403		4	7,196
Finance income	807	-		(61)	746
Finance cost	(5,921)	-		(4)	(5,925)
Other financial results	2,528	-		61	2,589
Financial results, net	(2,586)	-		(4)	(2,590)
Profit before income tax	203	4,403		-	4,606
Income tax	256	(1,402)	e)	-	(1,146)
Profit from continuing operations	459	3,001		-	3,460
Profit from discontinued operations	3,056	-		-	3,056
Profit for the period	3,515	3,001		-	6,516
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation adjustment	2,100	275	g)	-	2,375
Share of other comprehensive income loss of associates and joint ventures	527	57	d)	-	584
Change in the fair value of hedging instruments net of income taxes	2	-		-	2

Other reserves	1	-	-	1
Items that may not be reclassified subsequently to profit or loss, net of income tax				
Actuarial loss from defined contribution plans	(23)	-	-	(23)
Other comprehensive income for the period from continuing operations	2,607	332	-	2,939
Other comprehensive income for the period from discontinued operations	409	-	-	409
Total comprehensive income for the period	6,531	3,333	-	9,864
Profit for the period attributable to:				
Equity holders of the parent:	1,034	1,208	-	2,242
Non-controlling interest:	2,481	1,793	-	4,274
Total comprehensive income for the period attributable to:				
Equity holders of the parent:	1,902	1,301	-	3,203
Non-controlling interest:	4,629	2,032	-	6,661

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Statement of Income and Other Comprehensive Income for the three-month period ending as of March 31, 2017:

	Three months 03.31.17 (as originally issued)	03.31.17 (adjustment)		03.31.17 (other reclassifications) i)	03.31.17 (recast)
Sales, rental and services income	19,027	-		-	19,027
Costs	(14,038)	739	a) and h)	(121)	(13,420)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	547	(439)	h)	-	108
Changes in the net realizable value of agricultural products after harvest	(10)	-		-	(10)
Gross profit / (loss)	5,526	300		(121)	5,705
Gain from disposal of investment properties	106	(78)	b)	(28)	-
Net loss from fair value adjustment of investment properties	-	(367)	c)	(61)	(428)
Gain from disposal of farmlands	21	-		-	21
General and administrative expenses	(1,104)	-		8	(1,096)
Selling expenses	(3,608)	-		113	(3,495)
Other operating results, net	(161)	140		28	7
Management fees	(11)	8	f)	-	(3)
Profit / (loss) from operations	769	3		(61)	711
Share of (loss) / profit of associates and joint ventures	(214)	296	d)	(4)	78
Profit / (loss) before financing and taxation	555	299		(65)	789
Finance income	(5)	234		(73)	156
Finance cost	(1,080)	232		77	(771)
Other financial results	905	-		61	966
Financial results, net	(180)	466		65	351
Profit before income tax	375	765		-	1,140
Income tax	(239)	108	e)	-	(131)
Profit from continuing operations	136	873		-	1,009
Loss from discontinued operations	(441)	(776)		-	(1,217)
(Loss) / Profit for the period	(305)	97		-	(208)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation adjustment	1,116	96	g)	-	1,212
Share of other comprehensive income loss of associates and joint ventures	72	1	d)	-	73
	12	-		-	12

Change in the fair value of hedging instruments net of income taxes				
Other reserves	1	-	-	1
Items that may not be reclassified subsequently to profit or loss, net of income tax				
Actuarial loss from defined contribution plans	(4)	-	-	(4)
Other comprehensive income for the period from continuing operations	1,197	97	-	1,294
Other comprehensive income for the period from discontinuous operations	409	-	-	409
Total comprehensive income for the period	1,301	194	-	1,495
Profit for the period attributable to:				
Equity holders of the parent:	115	(70)	-	45
Non-controlling interest:	(420)	167	-	(253)
Total comprehensive income for the period attributable to:				
Equity holders of the parent:	555	(49)	-	506
Non-controlling interest:	746	243	-	989

a)
It corresponds to the elimination of depreciation expense for investment properties, and the adjustment, if applicable, to the depreciation of property, plant and equipment to adjust the value of transfers from investment property to that item.
b)
It corresponds to the elimination of the gain/loss on the sale of investment properties, for such property is accounted for at its fair value on the date of sale, which generally coincides with the transaction price (see point d).
c)
It represents the net change in the fair value of investment properties.
d)
It relates to change in the value, as per the equity method, in associates and joint ventures after applying the change to equity in the accounting policy implemented by the Group.
e)
It reflects the tax effect on the items indicated above, as applicable.
f)
It pertains to re-measurement of management fees, as indicated in Note 32 to the Annual Financial Statements.
g)
It pertains to exchange differences related to the change in the accounting policy implemented by the Group in subsidiaries, associates and joint ventures with functional currency other than the peso.
h)
It corresponds to changes in presentation of cost of production. See Note 2.2.b).
i)
See Note 2.26 and 32 to the Annual Financial Statements.

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2.2.b)
Changes in the presentation of Financial Statements previously issued due to change in accounting policies

Expenses relating to the agricultural activity include items as planting, harvesting, irrigation, agrochemicals, fertilizers, veterinary services and others. The Group chose not to continue to charge these costs to income as they are incurred; instead, it capitalized them as part of the cost of biological assets. The Group believes this change will help to better understand the performance of the agribusiness activity and therefore provides more relevant information to Management, users of the Financial Statements and others.

The Group has therefore retroactively changed the previously issued Consolidated Financial Statements as required by IAS 8. There is no impact on the total and subtotal amounts of the Financial Statements.

2.3
Use of estimates

The preparation of Financial Statements at a certain date requires the Management of the Group 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 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 Financial Statements for the year ended as of June 30, 2017, as described in Note 5 to those Financial Statements.

2.4
Comparability of information

Amounts as of June 30, 2017 and March 31, 2017 which are disclosed for comparative purposes have been taken from Financial Statements then ended, except for changes described in Notes 2.2.a) and 2.2.b).

3.
Seasonal effects on operations

Agricultural business

Some of the Group's businesses are more affected by seasonal effects than others. The operations of the Group's agricultural business are subject to seasonal effects. The harvests and sale of grains in Argentina generally take place each year since March in the case of corn and soybean, since October in the case of wheat, and since December in the case of sunflower. In Brazil, the harvest and sale of soybean take place since February, and in the case of corn weather conditions make it possible to have two seasons, therefore the harvest take place between March and July. In Bolivia, weather conditions also make it possible to have two soybean, corn and sorghum seasons and, therefore, these crops are harvested in July and May, whereas wheat is harvested in August and September, respectively. In the case of sugarcane, harvest and sale take place between April and November of each year. 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. As a result, there may be material fluctuations in the agricultural business results across quarters.

Urban properties and investments business

Operations Center in Argentina

The operations of the Group's shopping malls are subject to seasonal effects, which affect the level of sales recorded by lessees. During summer time in Argentina (January and February), the lessees of shopping malls experience the lowest sales levels in comparison with the winter holidays (July) and Christmas and year-end holidays celebrated in 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, for shopping mall operations, a higher level of business activity is expected in the period ranging between July and December, compared to the period between January and June.

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Operations Center in Israel

The operations of the Supermarket chain are subject to fluctuations of quarterly sales and income due to the increase in activity during religious holidays in different quarters throughout the year. For instance, in Pesaj (Passover) between March and April, and Rosh Hashaná (Jewish New Year), sometime between September and October each year.

The results of operations of Telecommunications and Tourism are also usually affected by seasonality in summer months in Israel and by the Jewish New Year, given a higher consumption due to internal and external tourism.

4.
Acquisitions and disposals

Below are detailed the significant acquisitions and disposals for the nine-month period ended March 31, 2018. The significant acquisitions and disposals for the fiscal year ended June 30, 2017, are detailed in Note 3 to the Annual Financial Statements.

Agricultural business

Sale of farmlands

On July 20, 2017, the Company executed a purchase-sale agreement for all of “La Esmeralda” establishment consisting of 9,352 hectares devoted to agricultural and cattle raising activities in the 9 de Julio district, Province of Santa Fe, Argentina. The total amount of the transaction was fixed at US$ 19 (US$/ha. 2,031), US$ 4 (equivalent to Ps. 69) of which have already been paid. As for the remaining balance of US$ 15, US$ 3 will be collected upon execution of conveyance deed and deliver of possession in June 2018, with the remaining balance being secured with a mortgage on real property, payable in 4 equal installments, with maturity in April 2022; the balances will accrue interest at a rate of 4%.

Sale of shares of FyO

On November 9, 2017 Cresud sold to a non-related party 154,929 shares of its subsidiary FyO, representing 9.493% of FyO’s capital stock for an amount f US$ 3.04, which were collected in full. As a result, Cresud reduced its equity interest in FyO from 59.6% to 50.1%.

This transaction was accounted in equity, resulting in an increase in non-controlling interest of Ps. 10.2 and an increase in the equity holders of the parent of Ps. 43.

Spin-off of Cresca S.A.

In February 2018, the spin-off of Cresca, a Paraguayan company, was consummated. As a result, the Group, through Brasilagro, went from having an investment in a joint venture to controlling a set of net assets that meets the definition of business in accordance with paragraph 42 of IFRS 3.

In this way, Brasilagro holds 100% of the capital and votes of Palmeiras and Moroti, both Paraguayan companies, which continued the exploitation previously carried out by Cresca. Likewise, Cresca will continue to exist with the remaining assets consisting of cash and a receivable to cover the expenses related to the spin-off. Brasilagro continues to hold a 50% interest in the aforementioned residual entity.

The consideration for the acquisition of the business is the investment previously held in Cresca.

The Group has recognized gains of Ps. 510 as result of this transaction, that has been recognized in the line “Other operating results, net" (Note 25).

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The following table summarizes the consideration, the fair values of the assets acquired and the liabilities assumed at acquisition date:

	February 2018
Assets	941
Cash and cash equivalents	1
Trade and other receivables	27
Income tax credit	12
Property, plant and equipment	901
Liabilities	172
Trade and other payables	11
Debts with related parties	121
Taxes payable	40
Equity	
Currency translation adjustment	9
Total consideration	778

Urban properties and investments business

Operations Center in Argentina

Sale of ADS of IRSA CP

During October 2017, IRSA completed the sale in the secondary market of 10,240,000 ordinary shares of IRSA CP, par value Ps. 1 per share, represented by American Depositary Shares ("ADSs"), representing four ordinary shares each, which represents nearly 8.1% of IRSA CP capital for a total amount of Ps. 2,440 (US$ 138). After the transaction, IRSA's direct and indirect interest in IRSA CP amounts to approximately 86.5%. This transaction was accounted in equity as an increase in the equity attributable to the parent for an amount of Ps. 172, net of taxes.

During February 2018, IRSA and a subsidiary have sold 180,075 ordinary shares of IRSA CP, par value Ps. 1 per share, which represents nearly 0.14% of IRSA CP capital for a total amount of Ps. 49. After the transaction, IRSA's direct and indirect interest in IRSA CP amounts to approximately 86.34%. This transaction was accounted in equity as an increase in the equity attributable to the parent for an amount of Ps. 0.44, net of taxes.

Operations Center in Israel

Purchase of DIC shares by Dolphin

As mentioned in Note 7 to the Consolidated Financial Statements as of June 30, 2017, in connection with the Promotion of Competition and Reduction of Concentration Law in Israel, after June 30, 2017, Dolphin Netherlands B.V. made a non-binding tender offer for the acquisition of all DIC shares held by IDBD. For purposes of the transaction, a committee of independent directors has been set up to assess the tender offer and negotiate the terms and conditions. The Audit Committee has issued an opinion without reservations as to the transaction in accordance with the terms of section 72 et al. of the Capital Markets Law N° 26,831.

In November 2017, Dolphin IL Investments Ltd. (Dolphin IL), a subsidiary of Dolphin Netherlands B.V., has subscribed the final documents for the acquisition of the total shares owned by IDBD in DIC.

The transaction has been made for an amount of NIS 1,843 (equivalent to NIS 17.20 per share of DIC). The consideration was paid NIS 70 in cash (equivalent to Ps. 348 as of the date of the transaction) and NIS 1,773 million (equivalent to Ps. 8,814 as of the date of the transaction) were financed by IDBD to Dolphin, maturing in five years, with the possibility of an extension of three additional years in tranches of one year each, that will accrue an initial interest of 6.5% annually, which will increase by 1% annually in case of extension for each annual tranche. Furthermore, guarantees have been implemented for IDBD, for IDBD bondholders and their creditors, through pledges of different degree of privilege over DIC shares resulting from the purchase. Moreover, a pledge will be granted in relation to 9,636,097 (equivalent to 6.38%) of the shares of DIC that Dolphin currently holds in the first degree of privilege in favor of IDBD and in second degree of privilege in favor of IDBD's creditors. This transaction has no effect in the Groups consolidation structure and has been accounted in equity as a decrease in the equity attributable to the parent for an amount of Ps. 72.

It should be noted that the financial position of IDBD and its subsidiaries at the Operations Center in Israel does not affect the financial position of IRSA and subsidiaries at the Operations Center in Argentina. In addition, the commitments and other covenants resulting from IDBD’s financial debt do not have impact on IRSA since such indebtedness has no recourse against IRSA and it is not granted by IRSA’s assets.

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Purchase of IDBD shares by IFISA

In December, 2017, Dolphin Netherlands BV (Dolphin), has executed a stock purchase agreement for all of the shares that IFISA held of IDBD, which amounted to 31.7% of the capital stock. In this way, as of the end of December 31, 2017, Dolphin holds the 100% of IDBD's shares.

The transaction was made at a price of NIS 398 (equivalent to NIS 1.894 per share and approximately to Ps. 1,968 as of the date of the transaction). As consideration of the transaction all receivables from IFISA to Dolphin have been canceled plus a payment of USD 33.7 (equivalents to Ps. 588 as of the date of the transaction). This transaction was accounted in equity as a decrease in the equity attributable to the parent for an amount of Ps. 1,853.

Tender offer for Clal

In July 2017, IDBD received a non-binding offer from an international group for the potential acquisition of its entire interest in Clal. The consideration will be based on the equity value of Clal, in accordance with Clal Financial Statement at the time of completing the transaction and is subject to the performance of a due diligence and the execution of an agreement, as well as obtaining the approvals required by law. IDBD is analyzing the offer. On June 30, 2017, this value amounted to NIS 4,880 (equivalent to approximately Ps. 23,278 as of the date of these Financial Statements), at the proportionate equity interest as of the date of the transaction. In November 2017 the period for the parties to execute an agreement for the sale of the shares, has expired. However, the parties continue negotiating according to the principles of the initial proposal. There is no certainty that the offer will go forward under the terms proposed, or that the transaction will be completed.

Sale of Shufersal shares

On December 24, 2017, DIC sold shares of Shufersal, in a manner whereby its equity interest decreased from 53.30% to 50.12%. The consideration with respect to the sale of the aforementioned shares amounted to approximately NIS 169.5 (equivalent to Ps. 847 as of the date of the transaction). This transaction was accounted in equity as an increase in the equity attributable to the parent for an amount of Ps. 244.

Acquisition of New Pharm

As mentioned in Note 3.G to the Consolidated Financial Statements as of June 30, 2017, Shufersal entered into an agreement for the purchase of the shares of New Pharm Drugstores Ltd. ("New Pharm"), representative of 100% of that Company's share capital. On December 20, 2017, the transaction was completed and Shufersal is the sole shareholder of New Pharm, after the sale of one of its stores and the approval by the antitrust committee. The total consideration was NIS 126 (equivalent to Ps. 630 as of the date of the transaction).

The Group is working on the allocation of the purchase price of the net assets acquired. The information below is preliminar and is subject to change. The following table summarizes the consideration, the fair value of the assets acquired and the liabilities assumed:

	December 2017
Identified assets and assumed liabilities:	
Property, plant and equipment	200
Inventories	380
Trade and other receivables	335

Cash and cash equivalents	25
Provisions	(15)
Borrowings	(260)
Employee benefits	(25)
Trade and other payables	(930)
Total identified net assets	(290)
Goodwill (pending allocation)	920
Total consideration	630

Revenues of New Pharm as of March 31, 2018 are not significant. If New Pharm had been consolidated since the beginning of the year, the Group's consolidated statement of income for the nine-month period ended March 31, 2018 would show a pro forma income of PS. 68,256 and a pro-forma net result of Ps. 11,501.

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Ispro

In August 2017, PBC's Board of Directors, decided to start a process to examine the potential sale of its interest in Ispro. In this respect, it has received several offers. As of the date of these Financial Statements, the transaction does not comply with the requirements to be classified as assets held for sale.

Israir

On January 10, 2018, the Anti-Trust Authority communicated IDBD its objection to the transaction between Sun D'or and Israir, described in Note 3.f to the Annual Consolidated Financial Statements. The Group is evaluating the reasons for the objection and has appealed the ruling. The Group evaluated the situation and the criteria established by IFRS 5 and kept the classification of the investment as discontinued operations.

Transfer of Cellcom's shares

On January 22, 2018 DIC transferred 5% of Cellcom's shares (the "Transferred Shares"), by way of a loan transaction in equal parts to two private companies incorporated in Israel, which are related parties to the Group. The agreement will be in effect from the date of its closing until December 31, 2018 and will be extended automatically for a year, until it is terminated in accordance with its terms. DIC will be entitled to terminate the agreement at any time, in its discretion, and to receive back all or some of the Transferred Shares. The Israeli entities will not be entitled to transfer the Transferred Shares to any entity whatsoever without DIC's consent. The Israeli entities will together be entitled to appoint 10% of Cellcom directors (i.e., as of the present date - one director). Additionally, the Israeli entities and the designated director will undertake to vote, together with DIC, on all resolutions which will be presented to Cellcom's general meeting. Furthermore, the economic benefits of the Transferred Shares will be kept by DIC. The Transferred Shares are pledged in favor of DIC.

5.
Financial risk management and fair value estimates

These Financial Statements do not include all the information and disclosures of the risk management, so they should be read together with Note 4 to the Annual Financial Statements as of June 30, 2017. There have been no changes in the risk management or risk management policies applied by the Group since the fiscal year-end.

Since June 30, 2017, as of the date of these Financial Statements, there have been no significant changes in business or economic circumstances affecting the fair value of the Group's assets and 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 Group's financial instruments.

6.
Segment information

As explained in Note 6 to the Annual Consolidated Financial Statements, segment information is reported from the perspective of products and services: (i) agricultural business and (ii) urban properties and investment business. In addition, this last segment is reported divided from the geographic point of view in two Operations Centers to manage its global interests: Argentina and Israel.

At the beginning of the fiscal year initiated as of July 1, 2017 the CODM reviewed certain corporate expenses associated with all the segments of the Operations Center in Argentina and Israel in an aggregate manner. During this period, the corporate expenses analysis were done separately, and it has been included as a new Corporate segment. Likewise, Management fee is excluded from profit from operations since it does not provide useful information of the business performance. The segment information for the period ended March 31, 2017 has been modified for comparability purposes.

Below is a summary of the business unit and a reconciliation between the operating income according to segment information and the operating income of the statement of income and other comprehensive income of the Group for the periods ended March 31, 2018 and 2017:

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	03.31.18								
		Urban Properties and Investment business (II)							
	Agricultural business (I)	Operations Center in Argentina	Operations Center in Israel	Subtotal	Total segment information	Joint ventures (*)	Adjustments (**)	Elimination of inter-segment transactions and non-reportable assets / liabilities (***)	To Sta of I / Fi Pos
Revenues	4,087	3,902	60,558	64,460	68,547	(38)	1,281	(160)	69,
Costs	(3,443)	(812)	(42,667)	(43,479)	(46,922)	17	(1,304)	45	(48
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	580	-	-	-	580	2	-	101	683
Changes in the net realizable value of agricultural products after harvest	155	-	-	-	155	-	-	-	155
Gross profit / (loss)	1,379	3,090	17,891	20,981	22,360	(19)	(23)	(14)	22,
Net gain from fair value adjustment of investment properties	173	11,608	1,375	12,983	13,156	(206)	-	-	12,
General and administrative expenses	(355)	(656)	(2,825)	(3,481)	(3,836)	15	-	9	(3,8
Selling expenses	(476)	(306)	(11,826)	(12,132)	(12,608)	6	-	5	(12
Other operating results, net	450	(80)	610	530	980	17	-	-	997
Management fees	-	-	-	-	-	-	(522)	-	(52
Profit / (loss) from	1,171	13,656	5,225	18,881	20,052	(187)	(545)	-	19,

operations									
Share of profit / (loss) of associates and joint ventures	13	569	(214)	355	368	311	-	-	679
Segment profit / (loss)	1,184	14,225	5,011	19,236	20,420	124	(545)	-	19,
Reportable assets	10,063	58,417	210,539	268,956	279,019	(295)	-	16,458	295
Reportable liabilities	-	-	(186,184)	(186,184)	(186,184)	-	-	(47,224)	(23
Net reportable assets	10,063	58,417	24,355	82,772	92,835	(295)	-	(30,766)	61,

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	03.31.17 (recast)								
		Urban Properties and Investment business (II)							
	Agricultural business (I)	Operations Center in Argentina	Operations Center in Israel	Subtotal	Total segment information	Joint ventures (*)	Adjustments (**)	Elimination of inter-segment transactions and non-reportable assets / liabilities (***)	To Sta of I / Fi Pos
Revenues	2,666	3,111	51,030	54,141	56,807	(54)	1,090	(120)	57,
Costs	(2,329)	(575)	(36,750)	(37,325)	(39,654)	39	(1,148)	68	(40
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	125	-	-	-	125	7	-	45	177
Changes in the net realizable value of agricultural products after harvest	(87)	-	-	-	(87)	-	-	-	(87
Gross profit / (loss)	375	2,536	14,280	16,816	17,191	(8)	(58)	(7)	17,
Net gain from fair value adjustment of investment properties	329	2,449	1,021	3,470	3,799	(183)	-	-	3,6
Gain from disposal of farmlands	93	-	-	-	93	-	-	-	93
General and administrative expenses	(288)	(475)	(2,342)	(2,817)	(3,105)	6	-	6	(3,(
Selling expenses	(364)	(259)	(9,695)	(9,954)	(10,318)	3	-	1	(10
Other operating results, net	100	(31)	(168)	(199)	(99)	(7)	-	-	(10
	-	-	-	-	-	-	(249)	-	(24

Management fees									
Profit / (loss) from operations	245	4,220	3,096	7,316	7,561	(189)	(307)	-	7,0
Share of (loss) / profit of associates and joint ventures	(2)	74	(59)	15	13	118	-	-	131
Segment profit / (loss)	243	4,294	3,037	7,331	7,574	(71)	(307)	-	7,1
Reportable assets	7,468	42,502	154,795	197,297	204,765	(710)	-	9,746	213
Reportable liabilities	-	-	(134,115)	(134,115)	(134,115)	-	-	(33,204)	(16
Net reportable assets	7,468	42,502	20,680	63,182	70,650	(710)	-	(23,458)	46,

(*)
Represents the equity value of joint ventures that were proportionately consolidated for the segment information.
(**)
Includes Ps. (23) and Ps. (58) corresponding to Expenses and FPC and Ps. (522) and Ps. (249) to management fees, as of March 31, 2018 and 2017, respectively.
(**)
Includes deferred income tax assets, income tax and MPIT credits, trade and other receivables, investment in financial assets, cash and cash equivalents and intangible assets except for right to receive future units under barter agreements, net of investments in associates with negative equity which are included in provisions in the amount of Ps. 76 as of March 31, 2018.

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(I)
Agriculture line of business:

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

	03.31.18				
	Agricultural production	Land transformation and sales	Corporate	Others	Total Agricultural business
Revenues	2,322	-	-	1,765	4,087
Costs	(1,807)	(9)	-	(1,627)	(3,443)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	580	-	-	-	580
Changes in the net realizable value of agricultural products after harvest	155	-	-	-	155
Gross profit / (loss)	1,250	(9)	-	138	1,379
Net gain from fair value adjustment of investment properties	-	173	-	-	173
General and administrative expenses	(218)	(1)	(63)	(73)	(355)
Selling expenses	(340)	-	-	(136)	(476)
Other operating results, net	(87)	510	-	27	450
Management fees	-	-	-	-	-
Profit / (loss) from operations	605	673	(63)	(44)	1,171
Share of profit / (loss) of associates	13	-	-	-	13
Segment profit / (loss)	618	673	(63)	(44)	1,184
Investment properties	686	-	-	-	686
Property, plant and equipment	6,063	12	-	106	6,181
Investments in associates	54	-	-	33	87
Other reportable assets	2,781	-	-	328	3,109
Reportable assets	9,584	12	-	467	10,063

	03.31.17 (recast)				
	Agricultural production	Land transformation and sales	Corporate	Others	Total Agricultural business
Revenues	1,408	-	-	1,258	2,666
Costs	(1,167)	(7)	-	(1,155)	(2,329)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	125	-	-	-	125
Changes in the net realizable value of agricultural products after harvest	(87)	-	-	-	(87)

Gross profit / (loss)	279	(7)	-	103	375
Net gain from fair value adjustment of investment properties	-	329	-	-	329
Gain from disposal of farmlands	-	93	-	-	93
General and administrative expenses	(169)	(1)	(66)	(52)	(288)
Selling expenses	(263)	-	-	(101)	(364)
Other operating results, net	96	-	-	4	100
Management fees	-	-	-	-	-
(Loss) / Profit from operations	(57)	414	(66)	(46)	245
Share of profit / (loss) of associates	11	-	-	(13)	(2)
Segment (loss) / profit	(46)	414	(66)	(59)	243
Investment properties	424	-	-	-	424
Property, plant and equipment	4,874	18	-	90	4,982
Investments in associates	43	-	-	(5)	38
Other reportable assets	1,840	-	-	184	2,024
Reportable assets	7,181	18	-	269	7,468

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(II)
Urban properties and investments line of business:

The following tables present the reportable segments from the Operations Center in Argentina:

	03.31.18 Shopping Malls	Offices	Sales and developments	Hotels	International	Corporate	Others	Total
Revenues	2,696	387	78	740	-	-	1	3,902
Costs	(234)	(33)	(40)	(467)	-	-	(38)	(812)
Gross profit / (loss)	2,462	354	38	273	-	-	(37)	3,090
Net gain from fair value adjustment of investment properties	9,023	1,518	1,067	-	-	-	-	11,608
General and administrative expenses	(229)	(66)	(60)	(145)	(35)	(113)	(8)	(656)
Selling expenses	(174)	(31)	(17)	(83)	-	-	(1)	(306)
Other operating results, net	(39)	(4)	(25)	(12)	(15)	-	15	(80)
Management fees	-	-	-	-	-	-	-	-
Profit / (Loss) from operations	11,043	1,771	1,003	33	(50)	(113)	(31)	13,656
Share of profit of associates and joint ventures	-	-	12	-	1	-	556	569
Segment profit / (loss)	11,043	1,771	1,015	33	(49)	(113)	525	14,225
Investment and trading properties	38,056	9,610	6,726	-	-	-	78	54,470
Property, plant and equipment	54	40	-	170	63	-	-	327
Investment in associates and joint ventures	1	-	150	-	661	-	2,599	3,411
Other reportable assets	35	13	61	12	-	-	88	209
Reportable assets	38,146	9,663	6,937	182	724	-	2,765	58,417

03.31.17 (recast)

	Shopping Malls	Offices	Sales and developments	Hotels	International	Corporate	Others	Total
Revenues	2,216	323	4	568	-	-	-	3,111
Costs	(172)	(24)	(22)	(357)	-	-	-	(575)
Gross profit / (loss)	2,044	299	(18)	211	-	-	-	2,536
	1,382	935	132	-	-	-	-	2,449

Net gain from fair value adjustment of investment properties								
General and administrative expenses	(178)	(56)	(24)	(100)	(30)	(86)	(1)	(475)
Selling expenses	(134)	(34)	(14)	(73)	-	-	(4)	(259)
Other operating results, net	(34)	(7)	(29)	1	(10)	-	48	(31)
Management fees	-	-	-	-	-	-	-	-
Profit / (Loss) from operations	3,080	1,137	47	39	(40)	(86)	43	4,220
Share of profit of associates and joint ventures	-	-	5	-	(56)	-	125	74
Segment profit / (loss)	3,080	1,137	52	39	(96)	(86)	168	4,294
Investment and trading properties	27,899	6,486	4,864	-	-	-	-	39,249
Property, plant and equipment	48	31	3	164	2	-	-	248
Investment in associates and joint ventures	-	199	106	-	662	-	1,921	2,888
Other reportable assets	42	7	36	9	-	-	23	117
Reportable assets	27,989	6,723	5,009	173	664	-	1,944	42,502

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The following table presents the reportable segments of the Operations Center in Israel:

	03.31.18 Real Estate	Supermarkets	Telecommunications	Insurance	Corporate	Others	Total
Revenues	3,793	42,460	14,030	-	-	275	60,558
Costs	(1,238)	(31,360)	(9,907)	-	-	(162)	(42,667)
Gross profit	2,555	11,100	4,123	-	-	113	17,891
Net gain from fair value adjustment of investment properties	1,375	-	-	-	-	-	1,375
General and administrative expenses	(261)	(650)	(1,343)	-	(270)	(301)	(2,825)
Selling expenses	(76)	(8,804)	(2,887)	-	-	(59)	(11,826)
Other operating results, net	132	(143)	141	-	418	62	610
Management fees	-	-	-	-	-	-	-
Profit / (Loss) from operations	3,725	1,503	34	-	148	(185)	5,225
Share of profit/ (loss) of associates and joint ventures	31	14	-	-	-	(259)	(214)
Segment profit / (loss)	3,756	1,517	34	-	148	(444)	5,011
Reportable assets	96,527	43,692	34,251	11,249	15,888	8,932	210,539
Reportable liabilities	(75,726)	(30,401)	(27,183)	(919)	(47,615)	(4,340)	(186,184)
Net reportable assets	20,801	13,291	7,068	10,330	(31,727)	4,592	24,355

	03.31.17 (recast) Real Estate	Supermarkets	Telecommunications	Insurance	Corporate	Others	Total
Revenues	3,830	35,030	11,721	-	-	449	51,030
Costs	(1,927)	(26,419)	(8,163)	-	-	(241)	(36,750)
Gross profit	1,903	8,611	3,558	-	-	208	14,280
Net gain from fair value adjustment of investment properties	1,021	-	-	-	-	-	1,021
General and administrative expenses	(211)	(472)	(1,143)	-	(311)	(205)	(2,342)
Selling expenses	(70)	(7,016)	(2,582)	-	-	(27)	(9,695)
Other operating results, net	31	(35)	(35)	-	(55)	(74)	(168)
Management fees	-	-	-	-	-	-	-

Profit / (Loss) from operations	2,674	1,088	(202)	-	(366)	(98)	3,096
Share of (loss) / profit of associates and joint ventures	(31)	8	-	-	-	(36)	(59)
Segment profit / (loss)	2,643	1,096	(202)	-	(366)	(134)	3,037
Reportable assets	66,339	30,713	29,354	7,194	12,313	8,882	154,795
Reportable liabilities	(51,907)	(23,684)	(23,488)	-	(27,475)	(7,561)	(134,115)
Net reportable assets	14,432	7,029	5,866	7,194	(15,162)	1,321	20,680

7.
Investment in associates and joint ventures

Changes in the Group's investments in associates for the nine-month period ended as of March 31, 2018 and for the year ended as of June 30, 2017 were as follows:

	03.31.18	06.30.17
Beginning of the period / year	8,155	17,128
Share-holding (decrease) / increase in associates and joint ventures	(631)	1,100
Capital contribution	146	172
Share of profit	679	365
Decrease for the control obtainment (Note 4)	-	(59)
Incorporation by business combination (Note 4)	-	107
Currency translation adjustment	897	305
Cash dividends (i)	(131)	(272)
Sale of associates	-	1
Liquidation distribution (ii)	(72)	-
Capital reduction	(238)	(32)
Transfer to borrowings to associates (iii)	(190)	-
Hedging instruments	-	56
Defined benefit plans	-	(7)
Reclassification to held for sale	(44)	(10,709)
Others	11	-
End of the period / year (iv)	8,582	8,155

(i)
See Note 27.
(ii)
It corresponds to the distribution following the partial liquidation of Baicom.
(iii)
Corresponds to a reclassification made at the time of formalizing the terms of repayment of the loan with the associate in the Operations Center in Israel.
(iv)
As of March 31, 2018 and June 30, 2017 includes Ps. (76) and Ps. (72) respectively, reflecting interests in companies with negative equity, which were disclosed in "Provisions" (see Note 19).

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The table below lists additional information about the Group's investments in associates and joint ventures:

Name of the entity	% of ownership interest held		Value of Group's interest in equity		Group's interest in comprehensive income	
	03.31.18	06.30.17	03.31.18	06.30.17	03.31.18	03.31.17 (recast)
Associates						
New Lipstick (1)	49.90%	49.90%	(76)	(72)	(4)	(70)
BHSA	29.91%	29.91%	2,246	1,693	553	48
Condor	28.10%	28.72%	727	634	126	108
PBEL	45.40%	45.40%	709	768	43	70
Otras asociadas	-	-	1,471	1,597	(96)	246
Joint ventures						
Quality	50.00%	50.00%	674	482	168	107
La Rural	50.00%	50.00%	114	113	14	7
Cresca S.A.	50.00%	50.00%	1	279	455	69
Mehadrin	45.41%	45.41%	1,376	1,312	64	(34)
Otros negocios conjuntos	-	-	1,340	1,349	253	164
Total associates and joint ventures			8,582	8,155	1,576	715

(1)
Metropolitan, a subsidiary of New Lipstick, has renegotiated its non-recourse debt with IRSA, which amounted to US$ 113.1, and obtained a debt reduction of US$ 20 by the lending bank, an extension to April 30, 2020 and an interest rate reduction from LIBOR + 4 b.p. to 2 b.p. upon payment of US$ 40 in cash (US$ 20 in September 2017 and US$ 20 in October 2017), of which IRSA has contributed with US$ 20. Following the renegotiation, Metropolitan’s debt amounts to US$ 53.1. Additionally, Metropolitan has agreed to exercise on or before February 1, 2019 the purchase option on part of the land where the property is built and, to deposit the sum of money corresponding to 1% of the purchase price. Furthermore, Metropolitan has agreed to cause IRSA and other shareholders to furnish the bank, on or before February 1, 2020, with a payment guarantee with financial ratios acceptable to the Bank for the outstanding balance of the purchase price, or a letter of credit in relation to the loan balance then outstanding.

Name of the entity	Place of business / Country of incorporation	Main activity	Common shares 1 vote	Last financial statement issued		
				Share capital (nominal value)	Income / (loss) for the year	Shareholders' equity
Associates						
New Lipstick (1)	United States	Real Estate	N/A	N/A	(*) (24)	(*) (159)
BHSA	Argentina	Financing	448,689,072	(***) 1,500	(***) 1,019	(***) 8,433
Condor	United States	Hotel	3,337,613	N/A	(*) (9)	(*) 112
PBEL	India	Real Estate	450	(**) 1	(**) (72)	(**) (453)
Joint ventures						
Quality	Argentina	Real Estate	105,789,342	212	337	1,341
La Rural SA	Argentina	Event organization and	714,498	1	76	187

		others				
Cresca S.A.	Paraguay	Agricultural	138,154	557	16	655
Mehadrin	Israel	Agriculture	1,509,889	(**) 3	(**) (13)	(**) 525

(*)
Amounts in millions of US Dollars under USGAAP. Condor's year-end falls on December 31, so the Group estimates their interest with a three-month lag, including material adjustments, if any.
(**)
Amounts presented in millions of NIS.
(***) Information as of March 31, 2018 according to BCRA's standards. For the purpose of the valuation of the investment in the Company, figures as of March 31, 2018 have been considered with the necessary IFRS adjustments.

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8.
Investment properties

Changes in the Group's investment properties for the nine-month period ended March 31, 2018 and for the year ended June 30, 2017 were as follows:

	Leased out farmland	Rental properties	Underdeveloped parcels of land	Properties under development	Total as of 03.31.18	Total as of 06.30.17
Fair value at the beginning of the period / year	304	89,313	7,647	2,925	100,189	82,505
Reclassifications of previous periods	-	-	-	-	-	(175)
Currency translation adjustment	161	6,287	267	235	6,950	10,461
Additions	-	743	246	1,278	2,267	2,652
Additions of capitalized leasing costs	-	16	-	1	17	23
Depreciation of capitalized leasing costs (i)	-	(3)	-	-	(3)	(1)
Reclassification to assets held for sale	-	-	-	-	-	(71)
Reclassification to trading properties	-	(351)	-	-	(351)	(14)
Transfers	-	191	9	(200)	-	-
Reclassification to property, plant and equipment	(2)	(130)	-	-	(132)	(38)
Reclassification of property, plant and equipment	51	-	10	-	61	62
Disposals	-	(59)	-	-	(59)	(220)
Balance incorporated by business combination	-	54	-	-	54	-
Capitalized finance costs	-	-	-	17	17	3
Net gain from fair value adjustment	172	11,392	1,025	361	12,950	5,002
Fair value at the end of the period / year	686	107,453	9,204	4,617	121,960	100,189

(i)
Depreciation charges of Capitalized leasing costs were included in "Costs" in the Statement of Income (Note 23).

The following amounts have been recognized in the Statement of Income:

	03.31.18	03.31.17 (recast)
Rental and services income	7,941	6,374
Direct operating expenses	(2,291)	(1,978)
Development expenses	(583)	(1,263)
Net gain from fair value of realized investment property	136	210
Net gain from fair value of unrealized investment property	12,814	3,406

Valuation techniques are described in Note 10 to the Consolidated Financial Statements as of June 30, 2017. There were no changes to the valuation techniques. The Company has reassessed the assumptions at the end of the period, incorporating the effect of the tax reform described in Note 21 to these Financial Statements, which increased the fair value of the shopping malls.

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9.
Property, plant and equipment

Changes in the Group's property, plant and equipment for the nine-month period ended March 31, 2018 and for the year ended June 30, 2017 were as follows:

	Owner occupied farmland	Bearer plant	Buildings and facilities	Machinery and equipment	Communication networks	Others	Total as of 03.31.18	Total as of 06.30.17
Costs	4,011	362	17,495	4,390	7,713	2,162	36,133	28,890
Accumulated depreciation	(382)	(146)	(1,233)	(928)	(1,551)	(743)	(4,983)	(2,089)
Opening net book amount	3,629	216	16,262	3,462	6,162	1,419	31,150	26,801
Currency translation adjustment	977	94	2,058	444	752	211	4,536	5,460
Additions	162	109	780	656	766	685	3,158	3,769
Reclassifications of investment properties	2	-	130	-	-	-	132	38
Reclassification to group of assets held for sale (Note 31)	-	-	-	-	-	-	-	(1,557)
Reclassifications to investment properties	(51)	-	(10)	-	-	-	(61)	(62)
Disposals	-	-	(5)	(24)	(44)	(11)	(84)	(417)
Impairments / Recoveries	-	-	(41)	-	-	-	(41)	12
Depreciation charge (i)	(112)	(2)	(671)	(498)	(939)	(480)	(2,702)	(2,894)
Assets incorporated by business combination	899	-	201	-	-	1	1,101	-
Closing net book amount	5,506	417	18,704	4,040	6,697	1,825	37,189	31,150
Costs	6,018	475	21,099	5,886	10,008	3,159	46,645	36,133
Accumulated depreciation	(512)	(58)	(2,395)	(1,846)	(3,311)	(1,334)	(9,456)	(4,983)
Net book amount	5,506	417	18,704	4,040	6,697	1,825	37,189	31,150

(i)

As of March 31, 2018 and June 30, 2017 Depreciation charges were included in “Costs” for an amount of Ps. 1,498 and Ps. 1,599, "General and administrative expenses" for an amount of Ps. 158 and Ps. 251 and “Selling expenses” for an amount of Ps. 922 and Ps. 893, respectively, in the Statements of Income (Note 24) and Ps. 124 and Ps. 55 were capitalized as part of biological assets costs. In addition, a depreciation charge in the amount of Ps. 96, was recognized in "discontinued operations" as of June 30, 2017.

(ii)

On January 9, 2018, the INRA released a report declaring that Las Londras farm (4565 ha.) is within the area of the “Guarayos Forestry Reserve” and establishes that the property of Acres del Sud S.A. should be reduced to 50 hectares, while the remaining acreage would be reverted upon as a fiscal land once the process is concluded. It should be noted that the report is preliminary and is subject to appeal by the interested parties. The Company exercising its rights presented an administrative filing.

10.

Trading properties

Changes in the Group’s trading properties for the nine-month period ended March 31, 2018 and for the year ended June 30, 2017 were as follows:

	Completed properties	Properties under development	Undeveloped properties	Total as of 03.31.18	Total as of 06.30.17
Opening net book amount	801	3,972	1,010	5,783	4,974
Additions	5	1,135	51	1,191	1,229
Currency translation adjustment	192	576	112	880	969
Transfers	325	(268)	(57)	-	-
Transfers of intangible assets	6	-	(15)	(9)	13
Reclassification of investment properties	351	-	-	351	14
Capitalized finance costs	-	6	-	6	1
Disposals	(904)	(1)	(40)	(945)	(1,417)
Closing net book amount	776	5,420	1,061	7,257	5,783

Non-current	4,068	4,534
Current	3,189	1,249
Total	7,257	5,783

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11.
Intangible assets

Changes in the Group's intangible assets for the nine-month period ended as of March 31, 2018 and for the year ended as of June 30, 2017 were as follows:

	Goodwill business	Trademarks	Licenses	Customer relations	Information systems and software	Contracts and others	Total as of 03.31.18	Total as of 06.30.17
Costs	2,806	4,029	1,002	4,746	2,122	1,679	16,384	13,036
Accumulated depreciation	-	(75)	(210)	(2,184)	(821)	(651)	(3,941)	(1,222)
Opening net book amount	2,806	3,954	792	2,562	1,301	1,028	12,443	11,814
Assets incorporated by business combination (i)	982	-	-	-	-	15	997	26
Currency translation adjustment	383	497	93	232	161	80	1,446	2,290
Transfers to assets held for sale	-	-	-	-	-	-	-	(182)
Transfers to trading properties	-	-	-	-	-	9	9	(13)
Reclassification of previous periods	-	-	-	-	-	-	-	31
Additions	-	-	-	-	433	72	505	618
Disposals	-	-	-	-	-	-	-	(52)
Depreciation charge (ii)	-	(33)	(57)	(746)	(392)	(295)	(1,523)	(2,089)
Closing net book amount	4,171	4,418	828	2,048	1,503	909	13,877	12,443
Costs	4,171	4,542	1,129	5,036	2,860	1,975	19,713	16,384
Accumulated depreciation	-	(124)	(301)	(2,988)	(1,357)	(1,066)	(5,836)	(3,941)
Net book amount	4,171	4,418	828	2,048	1,503	909	13,877	12,443

(i)
In addition to the business combination described in Note 4, there were other business combinations included which were evaluated as not material.
(ii)
As of March 31, 2018 and June 30, 2017 depreciation charge was recognized in the amount of Ps. 355 and Ps. 488 under "Costs", in the amount of Ps. 323 and Ps. 339 under "General and administrative expenses" and Ps. 845 and Ps. 1,231 under "Selling expenses", respectively in the Statement of Income (Note 24). In addition, a charge of Ps. 31 was

recognized under "discontinued operations" as of June 30, 2017.

12.
Biological assets

Changes in the Group’s biological assets and their allocation to the fair value hierarchy for the nine-month period ended as of March 31, 2018 and for the year ended as of June 30, 2017 were as follows:

	Agricultural business								
	Sown land-crops		Sugarcane fields	Breeding cattle and cattle for sale	Dairy cattle	Other cattle	Others	Total as of 03.31.18	Total as of 06.30.17
	Level 1	Level 3	Level 3	Level 2	Level 2	Level 2	Level 1		
Beginning of the period / year	42	243	175	705	40	15	10	1,230	1,049
Purchases	-	-	-	83	-	41	-	124	49
Changes by transformation	(26)	26	-	-	-	-	-	-	-
Initial recognition and changes in the fair value of biological assets (i)	(18)	426	193	57	(38)	(6)	-	614	104
Decrease due to harvest	-	(817)	(607)	-	-	-	-	(1,424)	(1,900)
Sales	-	-	-	(199)	(39)	(1)	-	(239)	(178)
Consumes	-	-	-	(1)	-	-	(1)	(2)	(2)
Costs for the period / year	206	923	505	216	42	5	2	1,899	1,995
Addition	-	-	-	-	-	-	-	-	108
Foreign exchange gain	1	47	74	35	-	-	-	157	5
Closing net book amount	205	848	340	896	5	54	11	2,359	1,230
									-
Non-current (Production)	-	-	-	806	-	15	11	832	671
Current (Consumable)	205	848	340	90	5	39	-	1,527	559
End of the period / year	205	848	340	896	5	54	11	2,359	1,230

(i)
Biological assets with a production cycle of more than one year (that is, cattle) generated “Initial recognition and changes in fair value of biological assets” amounting to Ps. 13 and Ps. 4 for the nine-month periods ended March 31, 2018 and for the fiscal year ended June 30, 2017, respectively. For the nine-month period ended March 31, 2018 and for the fiscal year ended June 30, 2017, amounts of Ps. 77 and Ps. 92, was attributable to price changes, and amounts of Ps. (64) and Ps. (88), was attributable to physical changes, respectively.

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Production costs

	Sown land-crops	Sugarcane fields	Cattle	Other biological assets	Total as of 03.31.18	Total as of 03.31.17 (recast)
Supplies and labors	899	261	134	-	1,294	1,081
Leases, services charges and vacant property costs	1	-	-	-	1	2
Amortization and depreciation	34	66	24	-	124	52
Maintenance and repairs	12	-	18	-	30	26
Payroll and social security liabilities	48	1	66	-	115	82
Fees and payments for services	4	-	-	-	4	6
Freights	9	-	8	-	17	19
Travel, library expenses and stationery	7	-	5	-	12	1
Other staff expenses	24	(6)	-	-	18	10
Taxes, rates and contributions	9	-	5	-	14	-
Others	82	183	3	2	270	12
Total Cost of production as of 03.31.18	1,129	505	263	2	1,899	-
Total Cost of production as of 03.31.17 (Recast)	899	169	219	4	-	1,291

During the nine-month period ended March 31, 2018 and the year ended June 30, 2017 there have been no transfers between the several tiers used in estimating the fair value of the Group’s biological assets, or reclassifications among their respective categories.

The fair value less estimated point of sale costs of agricultural produce at the point of harvest (which have been harvested during the period) amount to Ps. 1,450 and Ps. 1,975 for the period ended March 31, 2018 and for the year ended June 30, 2017, respectively.

See information on valuation processes used by the entity in Note 14 to the Consolidated Financial Statements as of June 30, 2017.

As of March 31, 2018 and June 30, 2017, the better and maximum use of biological assets shall not significantly differ from the current use.

13. Inventories

Breakdown of Group’s inventories as of March 31, 2018 and June 30, 2017 are as follows:

	03.31.18	06.30.17

Good for resale and supplies	3,878	3,884
Crops	328	379
Materials and supplies	309	244
Seeds and fodders	61	135
Beef	59	41
Telephones and others communication equipment	397	353
Total inventories	5,032	5,036

As of March 31, 2018 and June 30, 2017 the cost of inventories recognized as expense amounted to Ps 5,001 and Ps. 1,268, respectively and they have been included in “Costs” in the Statements of Income.

14.
Financial instruments by category

Determining fair values

The following note shows the carrying amount of financial assets and financial liabilities by category of financial instrument and a reconciliation to the corresponding line item in the Consolidated Statements of Financial Position, as appropriate. Financial assets and liabilities measured at fair value are assigned based on their different levels in the fair value hierarchy. For further information about fair value hierarchy, see Note 16 to the Consolidated Financial Statements as of June 30, 2017. Financial assets and financial liabilities as of March 31, 2018 and June 30, 2017 were as follows:

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	Financial assets at amortized cost	Financial assets at fair value through profit or loss			Subtotal financial assets	Non-financial assets	Total
		Level 1	Level 2	Level 3			
March 31, 2018							
Assets as per Statement of Financial Position							
Trade and other receivables (excluding the allowance for doubtful accounts and other receivables) (Note 15)	18,426	-	-	2,241	20,667	5,222	25,889
Investment in financial assets:							
- Equity securities in public companies	-	497	-	136	633	-	633
- Equity securities in private companies	-	-	-	871	871	-	871
- Deposits	2,306	23	-	-	2,329	-	2,329
- Bonds	-	9,887	365	-	10,252	-	10,252
- Mutual funds	-	4,990	-	-	4,990	-	4,990
- Others	-	1,124	-	145	1,269	-	1,269
Derivative financial instruments:							
- Crops futures contracts	-	2	-	-	2	-	2
- Swaps	-	4	5	-	9	-	9
- Crops options contracts	-	5	-	-	5	-	5
- Foreign-currency options contracts	-	8	-	-	8	-	8
- Foreign-currency future contracts	-	-	8	-	8	-	8
- Others	-	5	11	-	16	-	16
Restricted assets	2,517	-	-	-	2,517	-	2,517
Financial assets held for sale							
- Clal	-	10,331	-	-	10,331	-	10,331
Cash and cash equivalents (excluding bank overdrafts):							
- Cash on hand and at bank	8,783	-	-	-	8,783	-	8,783
- Short-term bank in deposits	969	-	-	-	969	-	969
- Mutual funds	-	-	-	-	-	-	-
- Short-term investments	21,171	3,657	-	-	24,828	-	24,828
Total assets	54,172	30,533	389	3,393	88,487	5,222	93,709

	Financial liabilities at amortized cost	Financial liabilities at fair value			Subtotal financial liabilities	Non-financial liabilities	Total
		Level 1	Level 2	Level 3			
March 31, 2018							

Liabilities as per Statement of Financial Position							
Trade and other payables (Note 18)	24,383	-	-	-	24,383	5,615	29,998
Borrowings (excluding finance lease liabilities) (Note 20)	170,548	-	-	-	170,548	-	170,548
Finance lease obligations	160	-	-	-	160	-	160
Derivative financial instruments:							
- Crops futures contracts	-	56	-	-	56	-	56
- Forward contracts	-	-	108	16	124	-	124
- Foreign-currency contracts	-	2	37	-	39	-	39
- Crops options contracts	-	34	-	-	34	-	34
- Foreign-currency options contracts	-	15	-	-	15	-	15
- Swaps	-	-	35	-	35	-	35
- Others	-	5	-	-	5	-	5
Total liabilities	195,091	112	180	16	195,399	5,615	201,014

	Financial assets at amortized cost	Financial assets at fair value through profit or loss			Subtotal financial assets	Non-financial assets	Total
		Level 1	Level 2	Level 3			
June 30, 2017							
Assets as per Statement of Financial Position							
Trade and other receivables (excluding the allowance for doubtful accounts and other receivables) (Note 15)	17,819	-	-	2,156	19,975	4,153	24,128
Investment in financial assets:							
- Equity securities in public companies	-	1,665	-	82	1,747	-	1,747
- Equity securities in private companies	-	15	-	964	979	-	979
- Deposits	1,235	14	-	-	1,249	-	1,249
- Bonds	-	4,490	425	-	4,915	-	4,915
- Mutual funds	-	3,986	-	-	3,986	-	3,986
- Others	-	749	-	-	749	-	749
Derivative financial instruments:							
- Crops options contracts	-	10	-	-	10	-	10
- Swaps	-	-	29	-	29	-	29
- Warrants	-	-	26	-	26	-	26
- Foreign-currency options contracts	-	4	-	-	4	-	4
- Foreign-currency future contracts	-	-	27	-	27	-	27
Financial assets held for sale	-	8,562	-	-	8,562	-	8,562

Restricted assets	1,069	-	-	-	1,069	-	1,069
Cash and cash equivalents (excluding bank overdrafts):							
- Cash on hand and at bank	8,731	-	-	-	8,731	-	8,731
- Short-term bank in deposits	5	-	-	-	5	-	5
- Mutual funds	-	302	-	-	302	-	302
- Short-term investments	14,510	1,815	-	-	16,325	-	16,325
Total assets	43,369	21,612	507	3,202	68,690	4,153	72,843

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	Financial liabilities at amortized cost	Financial liabilities at fair value Level 1	Level 2	Level 3	Subtotal financial liabilities	Non-financial liabilities	Total
June 30, 2017							
Liabilities as per Statement of Financial Position							
Trade and other payables (Note 18)	20,557	-	-	-	20,557	5,401	25,958
Borrowings (excluding finance lease liabilities) (Note 20)	135,180	-	-	-	135,180	-	135,180
Finance lease obligations	132	-	-	-	132	-	132
Derivative financial instruments:							
- Crops futures contracts	-	11	-	-	11	-	11
- Forward contracts	-	5	152	10	167	-	167