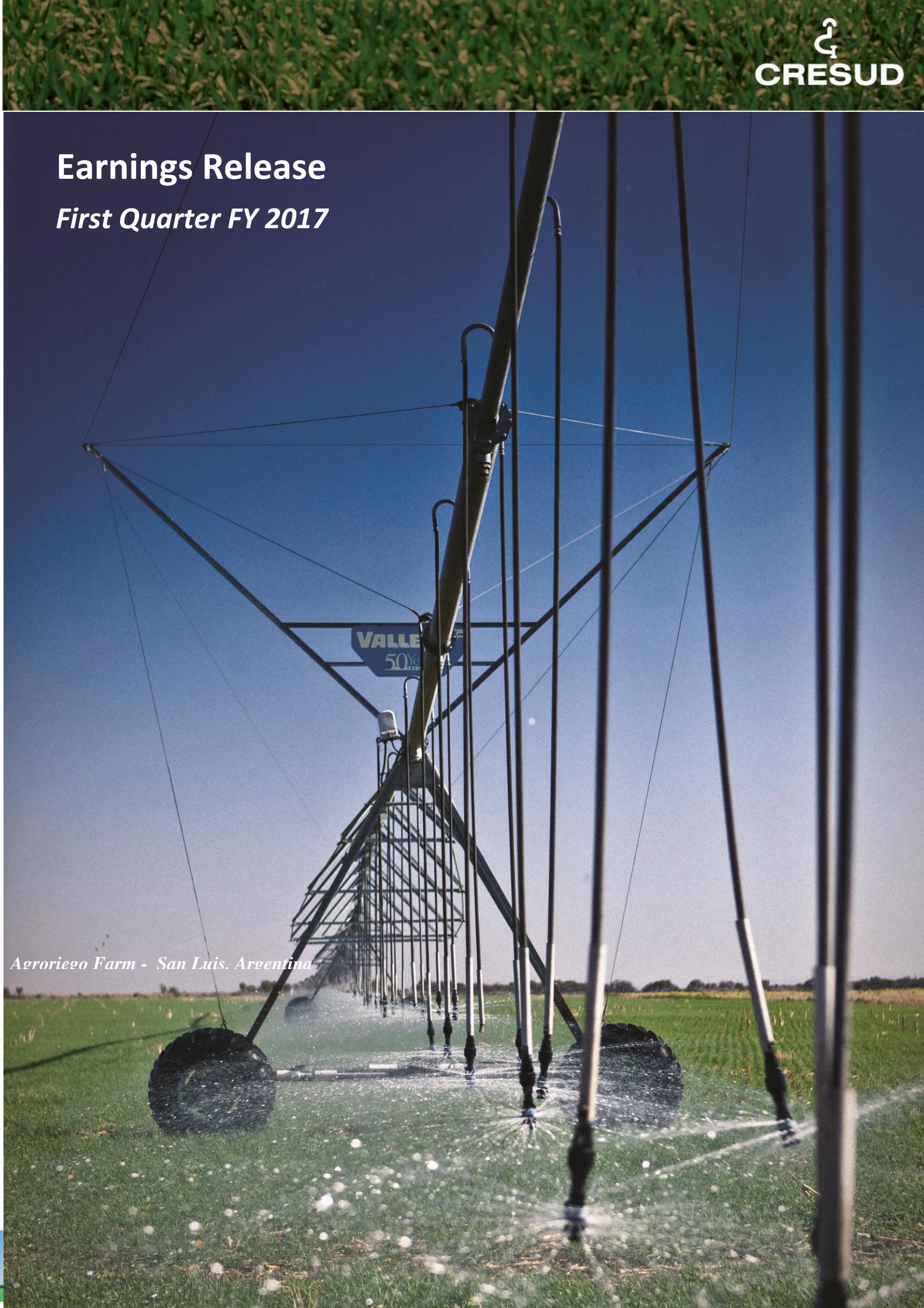


Earnings Release

First Quarter FY 2017

VALLE
50th

Agroriego Farm - San Luis, Argentina





Cresud invites you to participate in the First Quarter of Fiscal Year 2017 results' conference call

**Monday, November 14, 2016 at 01:00 PM
(EST)**

The call will be hosted by:

**Alejandro Gustavo Elsztain, CEO
Carlos Blousson, Gen Mgr of Argentina & Bolivia
Matías Gaivironsky, CFO**

If you would like to participate, please call:

+1 (412) 317 6776 (International)

+1 (877) 841 3494 (Toll Free USA)

ID: CRESUD

In addition, you can access through the following webcast:

<http://webcast.neo1.net/Cover.aspx?PlatformId=Yg6UbqaVnmu51Gpu6s94NA%3D%3D>

Preferably 10 minutes before the call is due to begin.

The conference will be held in English.

PLAYBACK

Available until November 24, 2016

+1 (877) 344 7529 (Toll Free USA)

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855 669 9658 (Toll Free Canada)

ID# 10096116

Contact Information

Alejandro Elsztain – CEO
Matías Gaivironsky – CFO

Tel: +54 11 4323 7449

E-mail: ir@cresud.com.ar

Website: <http://www.cresud.com.ar>

Follow us on Twitter  [@cresudir](https://twitter.com/cresudir)



**Cresud S.A.C.I.F. y A. announces the results for
the First Quarter of Fiscal Year 2017
ended September 30, 2016**

Business Highlights

- Operating Income for IQ17 reached ARS 1,133 million while the net result registered a loss of ARS 873 million (ARS 485 million to Cresud' shareholders) mainly explained by higher financial losses due to the consolidation of IDB Development Corporation and exchange rate differences.
- The current campaign presents with good climate conditions in the region as well as sustained commodity prices
- We expect to plant approximately 196,000 ha and develop 12,924 ha in the region during this campaign.
- We have sold a farm in Argentina during the quarter for \$ 6 million.
- Our urban properties and investments business observed good operating results. EBITDA of the rent segments increased by 25% in the first quarter compared to the last years quarter.



Buenos Aires, November 11, 2016 - Cresud S.A.C.I.F. y A. (NASDAQ: CRESY – BCBA: CRES), one of the leading agricultural companies in South America, announces today its results for the first quarter of fiscal year 2017 ended September 30, 2016.

Consolidated Results

In ARS million	IQ 2017	IQ 2016	YoY Var
Revenues	19,750.0	1,624.0	1116.1%
Costs	(14,519.0)	(1,195.0)	1115.0%
Initial recognition and changes in the net realizable value of biological assets and agricultural products at the point of harvest	382.0	206.0	85.4%
Changes in the net realizable value of agricultural products after harvest	(98.0)	(9.0)	988.9%
Gross profit	5,515.0	626.0	781.0%
Income from sale of investment properties	19.0	384.0	-95.1%
Income from sale of farmlands	73	-	-
General and administrative expenses	(1,022.0)	(194.0)	426.8%
Selling expenses	(3,431.0)	(147.0)	2234.0%
Other profit from operations, net	(21.0)	11.0	-
Profit from operations	1,133.0	680.0	66.6%
Share of profit / (loss) of associates and joint ventures	(55.0)	(497.0)	-88.9%
Profit from operations before financing and taxation	1,078.0	183.0	489.1%
Financial results, net	(1,565.0)	(447.0)	250.1%
Loss before income tax	(487.0)	(264.0)	84.5%
Income tax expense	(28.0)	(92.0)	-69.6%
Net Loss	(873.0)	(356.0)	145.2%
Attributable to:			
Cresud's Shareholders	(485.0)	(289.0)	67.8%
Non-controlling interest	(388.0)	(67.0)	479.1%

The Company's consolidated results reflect in all lines the material accounting impact of the consolidation of the investment made by our subsidiary IRSA Inversiones y Representaciones S.A. in the Israeli holding company IDB Development Corporation since IIQ16. Revenues and profits from operations for the first 3 months of 2017 reached ARS 19,750 million and ARS 1,133 million, respectively. In turn, the Company recorded a net loss of ARS 873 million for the 3-month period of 2017 compared to a net loss of ARS 356 million for the 3-month period of 2016, mainly explained by higher financial expenses and exchange rate differences.



Description of Operations by Segment

	3M 2017					3M 2016			YoY Var
	Agri	Urban Properties and Investments			Total	Agri	Urban	Total	
		Argentina	Israel	Subtotal					
Revenues	1,120.0	957.0	17,399.0	18,356.0	19,476.0	681.0	721.0	1,402.0	1289.1%
Costs	(1,311.0)	(247.0)	(12,676.0)	(12,923.0)	(14,234.0)	(782.0)	(180.0)	(962.0)	1378.5%
Initial Recognition and Changes in the net realizable value of biological assets and agricultural products at the point of harvest	384.0	-	-	-	384.0	206.0	-	206.0	86.4%
Changes in the net realizable value of agricultural products after harvest	(98.0)	-	-	-	(98.0)	(9.0)	-	(9.0)	988.9%
Gross profit	95.0	710.0	4,723.0	5,433.0	5,528.0	96.0	541.0	637.0	767.8%
Income from sale of investment properties	-	-	19.0	19.0	19.0	-	384.0	384.0	-95.0%
Income from sale of farmlands	73.0	-	-	-	73.0	-	-	-	-
General and administrative expenses	(90.0)	(152.0)	(784.0)	(936.0)	(1,026.0)	(64.0)	(132.0)	(196.0)	423.5%
Selling expenses	(136.0)	(87.0)	(3,210.0)	(3,297.0)	(3,433.0)	(92.0)	(56.0)	(148.0)	2219.6%
Gain from business combinations	-	-	-	-	-	-	-	-	-!
Other operating results, net	40.0	(12.0)	(49.0)	(61.0)	(21.0)	24.0	(14.0)	10.0	-310.0%
Profit / (loss) from operations	(18.0)	459.0	699.0	1,158.0	1,140.0	(36.0)	723.1	687.1	65.9%
Share of profit / (loss) of associates	(8.0)	37.0	75.0	112.0	104.0	(1.0)	(493.1)	(494.1)	-121.0%
Segment Profit / (Loss)	(26.0)	496.0	774.0	1,270.0	1,244.0	(37.0)	230.0	193.0	544.5%

Agricultural Business

Period Summary

The 2017 season has been developing under the “El Niño” pattern in Argentina, with above-average rainfall rates. To date, we have planted approximately 16% of the area planned for this season, and we increased the area leased to third parties by 42% as compared to the previous season. Moreover, we expect sustained commodity prices for this season.

As concerns land development and sale of farms, during this season we increased the area under development as compared to the previous seasons, in light of the more favorable macroeconomic conditions, while we also managed to consummate the sale of two farms comprising 2,615 hectares intended for agriculture in the Province of La Pampa (Argentina) for USD 6 million.

Our Portfolio

Our portfolio is composed of 283,983 hectares in operation and 474,956 hectares of land reserves distributed among 4 countries in the region: Argentina, with a mixed model combining land



development and agricultural production; Bolivia, with a productive model in Santa Cruz de la Sierra; and through our subsidiary BrasilAgro, Brazil and Paraguay, where the strategy is exclusively focused on the development of lands.

Breakdown of Hectares ()*

(Own and under Concession)

	Productive Lands		Land Reserves		Total
	Agricultural	Cattle / Milk	Under Development	Reserved	
Argentina	64,685	160,799	1,770	329,413	556,667
Brazil	38,282	6,155	13,539	73,010	130,986
Bolivia	6,811	-	-	5,722	12,533
Paraguay	5,800	1,451	776	50,726	58,754
Total	115,578	168,405	16,085	458,871	758,940

(*) Includes Brazil at 100%, Cresca at 50%, Agro-Uranga at 35.723% and 132,000 hectares under concession.

(**) Includes 85,000 hectares intended for sheep breeding.

Agricultural Segment Income

I) Land Development, Transformation and Sales

We periodically sell properties that have reached a considerable appraisal to reinvest in new farms with higher appreciation potential. We analyze the possibility of selling based on a number of factors, including the expected future yield of the farmland for continued agricultural and livestock exploitation, the availability of other investment opportunities and cyclical factors that have a bearing on the global values of farmlands.

During the first quarter of fiscal year 2017 we sold “El Invierno” and “La Esperanza” farms comprising 2,615 hectares intended for agriculture, located in the district of “Rancul”, Province of La Pampa. The total transaction amount was USD 6 million (USD 2,294/hectare). These farms were valued at approximately ARS 13.5 million. For such reason, profit from operations of this segment was ARS 73.4 million, and consequently, income from this segment increased ARS 70.4 million as compared to the same period of the previous fiscal year.

In ARS Million	IQ 2017	IQ 2016	YoY Var
Revenues	-	-	-
Costs	(3.0)	(2.0)	(50.0%)
Gross loss	(3.0)	(2.0)	(50.0%)
Income from sale of farmlands	-	-	-
Profit / (loss) from operations	68.0	(2.0)	-
Segment profit / (loss)	68.0	(2.0)	-

Area under Development (hectares)	Developed in 2015/2016	Projected for 2016/2017
Argentina*	2,910	1,770
Brazil	4,415	9,601
Paraguay ⁽¹⁾	1,364	1,553
Total	8,689	12,924



*2016/2017: Corresponds to Phase II transformation hectares.

⁽¹⁾ Includes the farms of Cresca S.A. at 100%.

- During this season we expect to transform 12,924 hectares in the region: 9,601 hectares in Brazil; 1,553 hectares in Paraguay; and 1,770 hectares in Argentina. We increased the area under development compared with the figures announced at the start of the season due to the improvement in operating margins in the agricultural business and the lower development costs in dollars.

II) Agricultural Production

II.a) Crops and Sugarcane

Crops

In ARS Million	IQ 2017	IQ 2016	YoY Var
Revenues	387.0	270.0	43.3%
Costs	(523.0)	(308.0)	69.8%
Initial Recognition and Changes in the net realizable value of biological assets and agricultural products at the point of harvest	191.0	98.0	94.9%
Changes in the net realizable value of agricultural products after harvest	(98.0)	(9.0)	988.9%
Gross profit	(43.0)	51.0	-
General and administrative expenses	(46.0)	(37.0)	24.3%
Selling expenses	(91.0)	(63.0)	44.4%
Other operating results, net	45.0	23.0	95.7%
Loss from operations	(135.0)	(26.0)	419.2%
Share of profit / (loss) of associates	(5.0)	-	-
Segment loss	(140.0)	(26.0)	438.5%

Sugarcane

In ARS Million	IQ 2017	IQ 2016	YoY Var
Revenues	162.0	102.0	58.8%
Costs	(246.0)	(146.0)	68.5%
Initial Recognition and Changes in the net realizable value of biological assets and agricultural products at the point of harvest	112.0	64.0	75.0%
Changes in the net realizable value of agricultural products after harvest	-	-	-
Gross profit	28.0	20.0	40.0%
General and administrative expenses	(11.0)	(6.0)	83.3%
Selling expenses	(3.0)	(3.0)	0.0%
Other operating results, net	(4.0)	-	-
Profit from operations	10.0	11.0	(9.1%)
Share of profit / (loss) of associates and joint ventures	-	-	-
Segment profit	10.0	11.0	(9.1%)



Operations

Production Volume ⁽¹⁾	3M17	3M16	3M15	3M14	3M13
Corn	223,377	165,041	211,212	72,693	83,717
Soybean	-	256	837	975	323
Wheat	-	58	-	-	664
Sorghum	298	298	1,335	3,699	5,078
Sunflower	-	-	208	-	-
Others	816	2,959	1,718	536	1,660
Total Crops (tons)	224,491	168,612	215,310	77,903	91,441
Sugarcane (tons)	441,851	556,485	415,760	437,407	450,334

(1) Includes BrasilAgro, CRESCA at 50%, Acres del Sud, Ombú, Yatay and Yuchán. Excludes Agro-Uranga.

Volume of Sales ⁽¹⁾	3M17			3M16			3M15			3M14			3M13		
	D.M.	F.M.	Total	D.M.	F.M.	Total	D.M.	F.M.	Total	D.M.	F.M.	Total	D.M.	F.M.	Total
Corn	121.8	0.0	121.8	62.6	23.6	86.2	150.9	0.0	150.9	138.3	0.0	138.3	92.1	10.2	102.3
Soybean	29.8	0.0	29.8	41.3	8.6	49.9	36.7	14.2	50.9	49.8	3.0	52.8	22.2	5.5	27.7
Wheat	0.4	0.1	0.5	5.1	28.9	34.0	0.2	0.0	0.2	0.2	0.0	0.2	4.3	0.0	4.3
Sorghum	0.1	0.0	0.1	0.1	0.0	0.1	0.3	0.0	0.3	2.4	0.0	2.4	3.5	0.0	3.5
Sunflower	0.7	0.0	0.7	0.6	0.0	0.6	1.7	0.0	1.7	5.7	0.0	5.7	1.7	0.0	2
Others	1.5	0.0	1.5	1.1	0.0	1.1	0.0	0.0	0.0	5.4	0.0	5.4	5	0.0	5
Total Crops (thousands of tons)	154.3	0.1	154.4	110.8	61.1	171.9	189.8	14.2	204.0	201.8	3.0	204.8	129.0	15.7	144.7
Sugarcane (thousands of tons)	441.9	0.0	441.9	554.0	0.0	554.0	415.8	0.0	415.8	455.4	0.0	455.4	355.6	0.0	355.6

D.M.: Domestic market

F.M.: Foreign market

(1) Includes BrasilAgro, CRESCA at 50%, Acres del Sud, Ombú, Yatay and Yuchán. Excludes Agro-Uranga.

- Income from the Crops segment decreased by ARS 114 million, down from a loss of ARS 26 million during IQ16 to a loss of ARS 140 million IQ17, mainly due to:
 - A loss of ARS 145 million, originated mainly in Argentina as a result of the pullback in corn and soybean prices throughout IQ17 after the peak recorded at the end of June 2016, reflected in sale and holding results, offset by
 - ARS 27 million in income from forward transactions originated mainly in soybean derivatives.
- The Sugarcane segment's income was similar to the one recorded in the first quarter of fiscal year 2016, explained by the output posted by Brazil and Bolivia, in a context of higher prices and lower yields.



Area in Operation - Crops (hectares) ¹	As of 09/30/16	As of 09/30/15	YoY Var
Own farms	103,424	108,906	(5.0%)
Leased farms	61,856	39,804	55.4%
Farms under concession	22,574	24,602	(8.2%)
Own farms leased to third parties	8,417	2,573	207.2%
Total Area Assigned to Crop Production	196,270	175,885	11.6%

⁽¹⁾ Includes AgroUranga, Brazil at 100% and Paraguay at 50%.

The area in operation assigned to the crop segment increased by 11.3% as compared to the same period of the previous fiscal year, mainly due to the larger area of leased farms and own farms leased to third parties.

II.b) Cattle and Dairy Production

During this season we started raising cattle in Brazil, in addition to our cattle operations in Argentina and Paraguay.

Production Volume (1)	3M17	3M16	3M15	3M14	3M13
Cattle herd (tons)	1,918	1,546	1,151	1,712	1,638
Milking cows (tons)	174	135	119	107	97
Cattle (tons)	2,093	1,681	1,270	1,818	1,735
Milk (thousands of liters)	4,078	4,539	4,560	4,771	4,093

⁽¹⁾ Includes Carnes Pampeanas and CRESCA at 50%.

Volume of	3M17			3M16			3M15			3M14			3M13		
Sales (1)	D.M.	F.M.	Total	D.M.	F.M.	Total	D.M.	F.M.	Total	D.M.	F.M.	Total	D.M.	F.M.	Total
Cattle herd	2.1	0.0	2.1	3.1	0.0	3.1	4.0	0.0	4.0	4.0	0.0	4.0	2.3	0.0	2.3
Milking cows	0.2	0.0	0.2	0.2	0.0	0.2	0.1	0.0	0.1	0.2	0.0	0.2	0.1	0.0	0.1
Cattle (thousands of tons)	2.3	0.0	2.3	3.3	0.0	3.3	4.1	0.0	4.1	4.2	0.0	4.2	2.4	0.0	2.4
Milk (millions of liters)	3.9	0.0	3.9	4.4	0.0	4.4	4.4	0.0	4.4	4.6	0.0	4.6	4.0	0.0	4.0

D.M.: Domestic market

F.M.: Foreign market

⁽¹⁾ Includes CRESCA at 50%.

Cattle

In ARS million	IQ 2017	IQ 2016	YoY Var
Revenues	61.0	58.0	5.1%
Costs	(105.0)	(79.0)	32.9%
Initial Recognition and Changes in the value of biological assets and agricultural products	59.0	28.0	110.7%
Changes in the net realizable value of agricultural products	-	-	-
Gross profit	15.0	7.0	114.3%
Profit from operations	(8.0)	(8.0)	-

¹ Includes surface area under double cropping, all the farms in Argentina, Bolivia, Paraguay and Brazil, and AgroUranga (Subsidiary – 35.72%).



Segment Profit	(8.0)	(8.0)	-
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During the quarter under review, we posted similar results to those recorded in IQ16. In the case of Argentina, where we consolidate most of our production of cattle, we recorded better holding results and good prices, although costs outpaced prices.

Area in operation – Cattle (hectares) ⁽¹⁾	As of 09/30/16	As of 09/30/15	YoY Var
Own farms	79,611	73,007	9.0%
Leased farms	12,635	12,635	-
Farms under concession	1,451	820	77.0%
Own farms leased to third parties	70	5,953	(98.8%)
Total Area Assigned to Cattle Production	93,767	92,415	-

(1) Includes AgroUranga, Brazil at 100% and Paraguay at 50%.

- The area of farms assigned to cattle production remained unchanged, mainly as a result of a reduction in the operation of own farms leased to third parties.

Stock of Cattle Herds	As of 09/30/16	As of 09/30/15
Breeding stock	62,634	55,278
Winter grazing stock	7,873	6,887
Milk farm stock	4,972	5,438
Total Stock (heads)	75,479	67,603

Dairy

In ARS Million	IQ 2017	IQ 2016	YoY Var
Revenues	20.0	18.0	11.1%
Costs	(42.0)	(34.0)	23.5%
Initial recognition and changes in the net realizable value of biological assets and agricultural products at the point of harvest	22.0	16.0	37.5%
Gross profit	-	-	-
Loss from operations	(2.0)	(3.0)	(33.3%)
Segment loss	(2.0)	(3.0)	(33.3%)

As concerns our dairy business in Argentina, we recorded a similar loss to that of the same quarter of 2016 in a scenario of highly depressed prices and rising costs.

Milk Production	09/30/2016	09/30/2015
Daily average milking cows (heads)	1,777	1,946
Milk Production / Milking Cow / Day (liters)	24.14	24.90

Area in Operation – Dairy (hectares)	As of 09/30/16	As of 09/30/15	YoY Var
Own farms	2,273	2,780	-18.2%

- We perform our milking business in El Tigre farm. There was a 18.2% reduction in the area assigned to milking cows.



III: Other Segments

Under “Others” we report the results from Agricultural Rental and Services, Agro-industrial Activities and our investment in FyO.

- The “Others” segment recorded an income of ARS 46 million in IQ17, mostly explained by the results of our subsidiary Futuros y Opciones, which is mainly engaged in the trading of grains and sale of inputs. Futuros y Opciones recorded an income of ARS 62.5 million reflecting the upsurge in the grain consignment business, the recovery of the input business as growers opted not to invest in technology, and a higher turnover from the brokerage business hand in hand with a more competitive exchange rate than in the past year. In contrast, our agroindustrial business developed in our meat packing plant in La Pampa recorded a higher loss.



Urban Properties and Investments Business (through our subsidiary IRSA Inversiones y Representaciones Sociedad Anónima)

We develop our Urban Properties and Investments segment through our subsidiary IRSA. As of September 30, 2016, our equity interest in IRSA was 63.38% over stock capital (63.77% considering repurchased treasury stock).

Consolidated Results of our Subsidiary IRSA Inversiones y Representaciones S.A.

The following information has been extracted from the financial statements of our controlled company IRSA as of September 30, 2016:

In ARS Million	IQ 17	IQ 16	YoY Var
Revenues	18,687	968	1,830.5%
Operating Income	1,147	724	58.4%
Depreciation and amortization	1,409	54	2,509.3%
EBITDA	2,556	778	228.5%
Net loss	-782	-316	147.5%
Attributable to controlling company's shareholders	-577	-276	109.1%
Attributable to non-controlling interest	-205	-40	412.5%

Argentine Operating Center

IRSA is one of Argentina's leading real estate companies in terms of total assets. IRSA is engaged, directly or indirectly through subsidiaries and joint ventures, in a range of diversified real estate related activities in Argentina and abroad, including:

- The acquisition, development and operation of shopping centers and offices, through its interest of 94.61% in IRSA Propiedades Comerciales S.A. (continuing company of Alto Palermo S.A.), one of Argentina's leading operators of commercial real estate with a controlling interest in 16 shopping centers and 6 office buildings totaling 414,000 sqm of Gross Leaseable Area (335,000 in shopping centers and 79,000 in offices).
- The acquisition and development of residential properties and the acquisition of undeveloped land reserves for future development or sale.
- The acquisition and operation of luxury hotels.
- Selective investments outside Argentina.
- Financial investments, including IRSA's current 29.91% equity interest in Banco Hipotecario, which is one of the leading financial institutions in Argentina.
- International investments, including a 49% interest in the Lipstick Building in New York and 49% of the voting rights in the Condor Hospitality Trust hotel REIT (NASDAQ: CDOR).

As concerns the shopping centers' segment, during the first three months of fiscal year 2017, our tenants' sales reached ARS 7,971.2 million, 21.0% higher than in the same period of 2016. Our portfolio's leasable area totaled 335,032 square meters during the quarter under review, whereas the occupancy rate stood at optimum levels of 98.4%, reflecting the quality of our portfolio. Revenues from this segment grew 28.0% during this three-month period, whereas EBITDA reached ARS 512 million (+ 21.9% compared to the same period of 2016). The EBITDA margin, excluding income from expenses and collective promotion fund, was 75.0%, 3.8 pp below the figure recorded in the previous fiscal year.



As concerns the offices' segment, revenues increased by 34.7% in the three-month period of fiscal year 2017 due to higher rental prices in ARS/sqm, as lease agreements are denominated in U.S. dollars. In addition, the portfolio's occupancy reached 100%. The portfolio's rental prices in USD/sqm were slightly lower, at USD 25.5 per sqm due to the occupancy of 2 floors at the Suipacha building, whose rental prices are lower than the portfolio's average. The segment's EBITDA grew by 29.6% during the period under review, reaching ARS 70 million.

As concerns the sales and developments segment, for the three-month period of fiscal year 2017, EBITDA was negative for ARS 51 million, reflecting the fact that no sales of investment properties were made in the first quarter of FY 2017, while 1,761 sqm had been sold in the first quarter of FY 2016, corresponding to 4 floors of the Maipú 1300 building, 7 floors and 56 parking spaces of the Intercontinental Plaza building (through IRSA Propiedades Comerciales) and the Isla Sirgadero plot, located in the Province of Santa Fe.

Israeli Operating Center

As of September 30, 2016, the investment made in IDBD amounted to USD 515 million and IRSA's indirect equity interest reached 68.3% of IDBD's stock capital.

Operating Results – In Millions of ARS

June 30, 2016 (for the period running from 04/01 to 06/30)							
Israeli Operating Center							
	Real Estate	Supermarkets	Agrochemical	Telecommunications	Insurance	Other	Total
Revenues	1,049	11,535	-	3,901	-	914	17,399
Costs	-612	-8,615	-	-2,608	-	-841	-12,676
Gross profit	437	2,920	-	1,293	-	73	4,723
Income from sale of investment properties						19	19
General and administrative expenses	-63	-149	-	-388	-	-184	-784
Selling expenses	-19	-2,307	-	-818	-	-66	-3,210
Other operating results, net	-	-15	-	-7	-	-27	-49
Operating income / (loss)	355	449	-	80	-	-185	699
Share of profit / (loss) of associates and joint ventures	-63	-	157	-	-	-19	75
Segment profit / (loss)	292	449	157	80	-	-204	774
Operating assets	58,565	29,057	11,240	28,982	4,792	15,645	148,281
Operating liabilities	-48,115	-23,021	-11,272	-23,228		-28,609	-134,245
Operating assets / (liabilities), net	10,450	6,036	-32	5,754	4,792	-12,964	14,456

The revenues and operating income from the **Real Estate Properties** segment through the subsidiary Property & Building ("PBC") reached ARS 1,049 million and ARS 355 million, respectively (USD 73 million and USD 25 million, respectively) during the consolidated quarter (March 31, 2016 to June 30, 2016). During this quarter, there was an increase in rental income and occupancy rates from PBC's investment properties, mainly the HSBC building in the City of New York.

The **Supermarkets** segment, through Shufersal, recorded revenues of ARS 11,535 million (USD 795 million) for the quarter, mainly due to an increase in revenues from the retail segment, offset by a 6.8% decrease in revenues from the real estate segment. Same-store sales rose 14.2% during the quarter under review, compared to the same quarter of fiscal year 2015. Operating income from this segment reached ARS 449 million (USD 26 million).

The **Telecommunications** segment, operated by Cellcom, recorded revenues of ARS 3,901 million (USD 266 million). There was a decrease in revenues as compared to the same quarter of 2015 in



both revenues from services and revenues from handsets. The reduction in revenues from services during the quarter under review mainly reflected lower revenues from cell telephone services due to the continued erosion of the price of these services as a result of stronger competition in the cell telephone market and lower revenues from international call services. The reduction in the revenues from handsets during the fourth quarter of 2015 was mainly due to the reduction in the number of cell phones sold during the quarter under review as compared to the same quarter of 2015, partially offset by an increase in revenues from handsets for Netvision's final users. Operating income for the quarter under review was ARS 80 million (USD 4 million).

The **Others** segment recorded revenues for ARS 914 million (USD 72 million), and an operating loss of ARS 185 million (USD 7 million).

As concerns "Clal", the Group values its interest in this **insurance** company as a financial asset at fair value. The valuation of Clal's shares was ARS 4,792 million (USD 316 million) as of June 30, 2016.

Finally, the results from the agrochemical company "Adama" are recorded as a pool of assets and liabilities for sale. For the consolidated quarter, a profit of ARS 157 million (USD 11 million) was recorded in this regard.



Financial Indebtedness and Other

The following tables contain a breakdown of company's indebtedness:

Agricultural Business

Description	Currency	Amount ⁽¹⁾	Interest Rate	Maturity
Bank overdrafts	ARS	4.2	Floating	< 30 days
CP Bank Loan	ARS	0.3	Floating	< 365 days
Banco Ciudad Loan	USD	13.0	Libor 180 days + 300 bps; floor: 6%	18-Jan-22
Banco de la Pampa Loan	ARS	0.4	floating [10.5% ; 14.5%]	03-Jul-17
Cresud 2018 Non-Convertible Notes, Series XIV	USD	32.0	1.500%	22-May-18
Cresud 2018 Non-Convertible Notes, Series XVI	USD	109.1	1.500%	19-Nov-18
Cresud 2019 Non-Convertible Notes, Series XVIII	USD	33.7	4.00%	12-Sep-19
Cresud 2017 Non-Convertible Notes, Series XX	USD	18.2	2.50%	13-Mar-17
Cresud 2017 Non-Convertible Notes, Series XXI	ARS	12.6	27.5% / Badlar + 375 bps	01-Feb-17
Cresud 2019 Non-Convertible Notes, Series XXII	USD	22.7	4.50%	12-Aug-19
Banco de la Provincia de Buenos Aires loan	USD	15.0	3.50%	21-Oct-16
Santander Río loan	USD	40.0	5.60%	30-Jun-31
Futuros y Opciones Comm. 5449 mortgage loan	ARS	0.0	15.25%	28-Dec-16
Bolivia Loan	BOB	0.5	6.00%	20-Jun-16
CRESUD's Total Debt		301.7		
Brasilagro's Total Debt		18.0		

Urban and Investments Business

Argentine Operating Center

Financial Debt as of September 30, 2016

Description	Currency	Amount ⁽¹⁾	Interest Rate	Maturity
Bank overdrafts	ARS	3.5	Variable	< 180 days
IRSA 2017 Non-Convertible Notes, Series I	USD	74.6	8.50%	Feb-17
IRSA 2020 Non-Convertible Notes, Series II	USD	71.4	11.50%	Jul-20
Series VI Non-Convertible Notes	ARS	0.7	Badlar + 450 bps	Feb-17
Series VII Non-Convertible Notes	ARS	25.1	Badlar + 299	Sep-19
Series VII Non-Convertible Notes	USD	184.5	7.00%	Sep-19
Loans ⁽²⁾	USD	45.0	Variable	Jun-17
Other loans		0.4		
IRSA's Total Debt		405.1		
IRSA's Cash & Cash Equivalents+Investments ⁽³⁾	USD	89.8		



IRSA's Net Debt	USD	315.3		
Bank overdrafts	ARS	2.2	Variable	< 360 d
IRCP Non-Convertible Notes, Series I	ARS	26.6	26.5% / Badlar + 400 bps	may-17
IRSA CP Non-Convertible Notes, Series II	USD	360.0	8.75%	mar-23
Other loans	ARS	0.5	-	-
IRSA CP's Total Debt		389.3		
IRSA CP's Cash & Cash Equivalents+Investments ⁽⁴⁾	USD	194.8		
IRSA CP's Net Debt	USD	194.5		

- (1) Principal amount in USD (million) at an exchange rate of ARS 15.31/USD, without considering accrued interest or eliminations of balances with subsidiaries.
- (2) Corresponds to a loan from IRSA CP.
- (3) "IRSA's Cash & Cash Equivalents plus Investments" includes IRSA's Cash & Cash Equivalents + IRSA's Investments in current and non-current financial assets.
- (4) "IRSA CP's Cash & Cash Equivalents plus Investments" includes IRSA CP's Cash & Cash Equivalents + Investments in current financial assets and a loan from its controlling company IRSA Inversiones y Representaciones S.A.

Israeli Operating Center

Financial Debt as of June 30, 20156

Description	Amount ⁽¹⁾
IDBD's Total Debt	730
DIC's Total Debt	1,090
Shufersal's Total Debt	652
Cellcom's Total Debt	1,059
PBC's Total Debt	2,349
Others' Total Debt ⁽²⁾	59

(1) Principal amount in USD (million) at an exchange rate of 3.82 NIS/USD, without considering accrued interest or elimination of balances with subsidiaries. Includes bonds and loans.

(2) Includes IDB Tourism, Bartan and IDBG.

Material and Subsequent Events

General Ordinary and Extraordinary Shareholders' Meeting

On October 31, 2016, the Company's General Ordinary and Extraordinary Shareholders' Meeting was held, which dealt with the following matters, among others:

- Update on shared services agreement report.
- Approval of sums paid as personal asset tax levied on the shareholders.
- Renewal of delegation of powers conferred to the Board of Directors in order to determine the time and currency of issuance and further terms and conditions governing the issue of notes under the global note program.
- Grant of indemnities to the Directors, Statutory Auditors and Managers who perform or have performed duties for the Company accessorially to the D&O policies.



- Approval of special merger balance sheet of AGRO MANAGERS S.A.
- Distribution of treasury shares

Agreement for the sale of real estate or shares of Cresca S.A.

On October 5, 2016, our subsidiary Brasilagro and Carlos Casado executed an agreement whereby they proposed to offer for sale all the real estate owned by Cresca for a price of not less than USD 120 million or 100% of Cresca's outstanding shares. The real estate and shares will be offered for a term of 120 calendar days after the execution date. If a proposal for the shares is received, the fair value of the rest of the assets (less the liabilities) will be added to the above mentioned price. Moreover, if no sale is made upon expiration of the term, the parties irrevocably promise to take all such actions and carry out all such proceedings as necessary for implementing the division of the Company's assets into two equivalent portions.



Prospects for the next fiscal year

The 2017 crop season has been developing under the “El Niño” pattern in Argentina, with above-average rainfall rates. To date, we have planted approximately 20% of the area planned for this season, and we increased the area leased to third parties by 42% as compared to the previous season. Moreover, we expect sustained commodity prices for this season.

In Argentina, we expect sustained prices for cattle and satisfactory production figures; yet, with rising costs. We will continue to work efficiently towards reaching the highest operating margins possible. In the case of our “El Tigre” dairy facility, where we have consolidated all our milk production, we are following our strategy consisting in the selective sale of milking cows and keeping the more productive herd. The milk business is suffering a highly depressed price scenario, which we expect to be reverted in the next months.

In connection with our meat packing plant, which we hold through our interest in Carnes Pampeanas, we will continue working towards optimizing margins in light of the favorable changes in market conditions, aimed at regaining profitability.

As concerns land transformation and value-adding activities, we will make progress in the development of our farms in Argentina, Paraguay and Brazil. Although in the past years our land transformation activities developed at a slower pace than historically due to the high development costs and production profitability conditions, the current macroeconomic conditions are more favorable, and we expect to be able to resume our historic levels at lower transformation costs.

We remain watchful of sale opportunities that may arise and we will continue to dispose of those farms that have reached their highest degree of appreciation, whilst continuing to analyze opportunities in other countries of the region with the objective to put together a regional portfolio with major development and appreciation potential.

Our urban subsidiary IRSA Inversiones y Representaciones S.A. keeps recording sound results in its various business lines. Prospects are positive, as the company has a large reserve of lands intended for future shopping center, office, and mixed-use developments in an industry scenario with high growth potential. Moreover, as concerns the investment in the Israeli company IDBD, its indebtedness level has been significantly reduced and a strategy intended to improve operating margins in each of its business units has been launched.

We believe that companies such as Cresud, with a track record going back so many years and vast industry knowledge will have outstanding possibilities of taking advantage of the best opportunities arising in the market, much more so considering that our main task is to produce food for a growing and demanding world population.



Cresud Sociedad Anónima.

Comercial, Inmobiliaria, Financiera y Agropecuaria

Consolidated Condensed Interim Balance Sheets as of September 30 and June 30, 2016

(amounts stated in millions of Argentine Pesos, except shares and per share data, unless otherwise stated)

	Note	09.30.16	06.30.16
ASSETS			
Non-current Assets			
Investment properties.....	10	50,592	49,766
Property, plant and equipment	11	26,373	26,376
Properties for sale.....	12	3,531	4,472
Intangible assets.....	13	11,469	11,814
Biological assets.....	14	559	524
Investments in associates and joint ventures.....	8. 9	5,644	16,534
Deferred tax assets.....	24	1,836	1,655
Credits for income tax.....		174	173
Restricted assets.....		127	128
Trade and other receivables.....	17	3,956	3,773
Financial assets available for sale.....	18	2,615	3,346
Investments in financial assets.....	16	2,241	2,226
Derivative financial assets.....	19	4	8
Employee benefits.....		4	4
Total Non-Current Assets.....		109,125	120,799
Current Assets			
Properties for sale.....	12	1,219	241
Biological assets.....	14	261	541
Inventories.....	15	3,498	3,900
Restricted assets.....		1,882	748
Credits for income tax.....		401	541
Financial assets available for sale.....	18	2,178	1,256
Pools of assets available for sale.....	34	11,506	-
Trade and other receivables.....	17	14,816	14,158
Investments in financial assets.....	16	9,810	9,673
Derivative financial instruments.....	19	46	53
Cash and cash equivalents.....	20	15,724	14,096
Total Current Assets.....		61,341	45,207
TOTAL ASSETS.....		170,466	166,006
SHAREHOLDERS' EQUITY			
Equity and reserves attributable to controlling company's shareholders			
Capital stock.....		495	495
Treasury shares.....		7	7
Comprehensive adjustment of capital stock and treasury shares.....		65	65
Additional paid in capital.....		659	659
Premium for trading of treasury shares.....		16	16
Statutory reserve.....		83	83
Other reserves.....	25	1,244	1,086
Retained earnings.....		(1,872)	(1,387)
Total equity and reserves attributable to controlling company's shareholders.....		697	1,024
Non-controlling interest.....		14,889	14,214
TOTAL SHAREHOLDERS' EQUITY.....		15,586	15,238

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



Cresud Sociedad Anónima.

Comercial, Inmobiliaria, Financiera y Agropecuaria

Consolidated Condensed Interim Balance Sheets as of September 30 and June 30, 2016 (Contd.)

(amounts stated in millions of Argentine Pesos, except shares and per share data, unless otherwise stated)

	Note	09.30.16	06.30.16
LIABILITIES			
Non-current liabilities			
Trade and other accounts payable.....	21	2,442	1,528
Current income tax		29	-
Loans	23	90,334	93,808
Deferred tax liabilities	24	7,664	7,662
Derivative financial instruments	19	125	121
Salaries and social security charges		24	20
Provisions.....	22	1,361	1,341
Employee benefits		708	689
Total Non-Current Liabilities.....		102,687	105,169
Current Liabilities			
Trade and other payables	21	17,263	18,443
Income tax and minimum presumed income tax expense		426	624
Salaries and social security charges		1,831	1,856
Loans	23	20,111	23,488
Derivative financial instruments	19	107	147
Provisions.....	22	1,086	1,041
Pool of liabilities for sale	34	11,369	-
Total Current Liabilities.....		52,193	45,599
TOTAL LIABILITIES		154,880	150,768
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		170,466	166,006

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



Cresud Sociedad Anónima. Comercial. Inmobiliaria. Financiera y Agropecuaria

Consolidated Condensed Interim Income Statements For the three-month periods started on July 1, 2016 and 2015 and ended September 30, 2016 and 2015

(amounts stated in millions of Argentine Pesos, except shares and per share data, unless otherwise stated)

	Note	09.30.16	09.30.15
Revenues	26	19,750	1,624
Costs	27	(14,519)	(1,195)
Initial recognition and changes in the fair value of biological assets and agricultural products at point of harvest.....		382	206
Changes in the net realizable value of agricultural products after harvest		(98)	(9)
Gross profit		5,515	626
Income from sale of investment properties	10	19	384
Income from sale of farmlands		73	-
General and administrative expenses	28	(1,022)	(194)
Selling expenses	28	(3,431)	(147)
Other operating results, net	29	(21)	11
Profit from operations.....		1,133	680
Share of profit / (loss) of associates and joint ventures.....	8, 9	(55)	(497)
Income before financial results and income tax		1,078	183
Financial income	30	411	87
Financial expenses	30	(2,296)	(512)
Other financial results	30	320	(22)
Financial results, net	30	(1,565)	(447)
Loss before income tax		(487)	(264)
Income tax expense	24	(28)	(92)
Loss for the period from continued operations		(515)	(356)
Loss from discontinued operations after taxes	35	(358)	-
Loss for the period.....		(873)	(356)
Attributable to:			
Controlling company's shareholders.....		(485)	(288)
Non-controlling interest		(388)	(68)



Net loss per share from continued operations attributable to controlling company's shareholders:

Basic	(0.74)	-
Diluted.....	(i) (0.74)	-

Net loss per share attributable to controlling company's shareholders:

Basic.....	(0.98)	(0.58)
Diluted	(i) (0.98)	(i) (0.58)

(i) As the (loss) / profit for the period posted a loss, there is no diluting effect in this result.

The accompanying notes form an integral part of the consolidated interim financial statements



Cresud Sociedad Anónima.

Comercial, Inmobiliaria, Financiera y Agropecuaria

Consolidated Interim Cash Flow Statements for the three-month periods ended September 30, 2016 and 2015

(Amounts stated in millions of Argentine Pesos, except shares and per share data, unless otherwise stated)

	Note	09.30.16	09.30.15
Operating activities:			
Cash provided by operating activities	20	2,609	413
Income tax paid		(197)	(67)
Net cash provided by operating activities		2,412	346
Investment activities:			
Acquisition of interest in associates and joint ventures, net of cash acquired		(30)	-
Capital contributions in associates and joint ventures		(312)	(34)
Cash included in pool of assets for sale		(12)	-
Acquisition of investment properties		(657)	(47)
Collections from sale of investment properties		41	388
Acquisition of property, plant and equipment		(692)	(19)
Collections from sale of property, plant and equipment		212	2
Payments from purchase of farmlands		-	(78)
Collections from sale of farmlands		71	14
Acquisition of intangible assets		(107)	(1)
Acquisition of investments in financial instruments		(2,423)	(1,316)
Collections from sale of investments in financial instruments		2,766	1,056
Loans to associates and joint ventures		(22)	-
Dividends collected		27	-
Loans granted		(34)	-
Collections of loans to associates and joint ventures		10	1
Net cash used in investment activities		(1,162)	(34)
Financing activities:			
Repurchase of notes		(144)	(121)
Issue of notes		8,790	793
Repayment of notes		(4,144)	(154)
Borrowings		803	537
Repayment of loans		(3,357)	(547)
Loans received from associates and joint ventures		4	1
Repayment of loans received from associates and joint ventures		(2)	-
Payment of financed purchases		-	(1)
Acquisition of non-controlling interest in subsidiaries		(580)	(25)
Sale of interests in subsidiaries to non-controlling interest		810	-
Dividends paid		(366)	(48)
Collection of derivative financial instruments		27	-
Payment of derivative financial instruments		(4)	(27)
Interest paid		(1,518)	(285)
Net cash provided by financing activities		319	123
Net increase in cash and cash equivalents		1,569	435
Cash and cash equivalents at the beginning of the period	20	14,096	634
Income / (loss) from exchange differences of cash and cash equivalents		59	(37)
Cash and cash equivalents at the end of the period		15,724	1,032

The accompanying notes form an integral part of the consolidated condensed interim financial statements.



Headquarters

Moreno 877 23º Piso
Tel +(54 11) 4814-7800/9
Fax +(54 11) 4814-7876
www.cresud.com.ar
C1091AAF – Cdad. Autónoma de Buenos Aires – Argentina

Investor Relations

Alejandro Elsztain – CEO
Matías Gaivironsky - CFO
Tel +(54 11) 4323 7449
e-mail ir@cresud.com.ar

Legal Advisors

Estudio Zang, Bergel & Viñes
Tel +(54 11) 4322 0033
Florida 537 18º Piso
C1005AAK – Cdad. Autónoma de Buenos Aires – Argentina

Audit Committee

PricewaterhouseCoopers Argentina
Tel +(54 11) 4850-0000
Bouchard 557 Piso 7º
C1106ABG – Cdad. Autónoma de Buenos Aires – Argentina

Registry and Transfer Agent

Caja de Valores S.A.
Tel +(54 11) 4317 8900
25 de Mayo 362
C1002ABH – Cdad. Autónoma de Buenos Aires – Argentina

Depository Agent ADS's

The Bank of New York Mellon
Tel. 1 888 BNY ADRS (269-2377)
Tel. 1 610 312 5315
P.O. Box 11258
Church Street Station
New York. NY 10286 1258 – Estados Unidos de Norteamérica



Símbolo BCBA: **CRES**
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