



Earnings Release

Fiscal Year 2016



El Tigre Farm – La Pampa (Argentina)

September 8, 2016





Cresud invites you to participate in the Fiscal Year 2016 results' conference call

**Friday, September 9, 2016 at 2:00 PM E.T
(3:00 PM Buenos Aires time)**

The call will be hosted by:
Alejandro 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) or
1-877-317-6776 (Toll Free USA)
ID#CRESUD

In addition, you can access through the following webcast:

<http://webcast.neo1.net/Cover.aspx?PlatformId=MYe1HmCUYjan9InAtvGEig%3D%3D>

Preferably 10 minutes before the call is due to begin.
The conference will be held in English.

PLAYBACK

Available until September 21, 2016

1-877-344-7529
1-412-317-0088
ID# 10090991

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>

**Cresud S.A.C.I.F. y A. announces the results for
Fiscal Year 2016,
ended June 30, 2016**

HIGHLIGHTS

- ▶ During FY 2016, we began consolidating the results of our investment in IDB Development Corporation.
- ▶ Operating Income for fiscal year 2016 reached ARS 3,746 million while the net result registered a loss of ARS 2,472 million (ARS 1,402 million to Cresud' shareholders) mainly explained by concepts that do not involve cash expenditures as exchange rate differences and the value at market price of Clal, owned by IBDB .
- ▶ Operating income for the farming segment increased by ARS 562 million in fiscal year 2016 compared to 2015 mainly due to the positive effect of the cut and reduction of export taxes and the depreciation of the exchange rate in Argentina and good operating results.
- ▶ We have planted approximately 180,000 ha and developed 8,850 ha in the region during this campaign.
- ▶ We have not concrete farmland sales during FY 2016. As a subsequent event, we sold a farm in Argentina for \$ 6 million.
- ▶ Our urban properties and investments business increased its operating profit from Argentina Business Center by 7.2% in the fiscal year reaching ARS 2,222 million.

Letter to Shareholders

Dear Shareholders,

We have ended a new crop season with mixed results. On the one hand, the production business exhibited a very good performance, mainly in Argentina --largely as a result of the favorable measures announced by the new administration- and in Paraguay, whereas in Brazil and Bolivia results proved to be lower than expected due to adverse weather and price conditions, respectively. As concerns land transformation and sale, although we made progress in the development of hectares over the region, we did not close any sales of farms during this fiscal year. Finally, our investment in IRSA, owner of the largest and most diversified real estate portfolio in Argentina, has continued to exhibit sound performance in its main business lines in Argentina and is progressing toward optimizing the capital structure of IDB Development Corporation ("IDBD"), the Israeli conglomerate whose control was acquired by IRSA during this fiscal year and which is now consolidated in its financial statements.

Although operating profit for this fiscal year reached ARS 3,746 million, 34% higher than in the previous fiscal year, we recorded a net loss of ARS 2,472 million, mainly explained by higher financial expenses and exchange rate differences, and the valuation of the insurance company Clal, owned by IDBD, recorded at fair value, which do not have any cash effects.

The 2016 crop season was marked by a favorable change in macroeconomic conditions for the Argentine agricultural industry. In December 2015, the new government announced the elimination of export withholding taxes on corn and wheat and reduced by 5 pp. export withholding taxes on soybean, down from 35% to 30%. These measures, coupled with the deregulation and depreciation of the exchange rate, have given rise to a significant upsurge in prices and better agricultural and livestock production margins. In Bolivia, results were affected by depressed commodity prices during most of the fiscal year. In Brazil, yields were lower than expected due to the draught that affected the areas of Bahía and Piauí, whereas in Paraguay very good yields were recorded in the main crops and prices were higher than in the rest of the region due to the late harvesting that captured the rise in commodity prices observed in the last months of the fiscal year.

During this year, we planted approximately 180,000 hectares in the 4 countries of the region, reducing the acreage as compared to 2015 due to the sales made in Cremaq in Brazil, and Fon Fon in Bolivia, and the smaller area leased to third parties in Argentina. Our output, excluding sugarcane, reached 483,000 tons, whereas soybean and corn yields were 2.2 tons per hectare and 5.5 tons per hectare, respectively, higher than those reached in the previous crop season.

This season was also positive for our beef cattle activities in Argentina. Better weather conditions in the north of Argentina, where we have our biggest herds, made it possible to increase production and allowed us to extend green pasture feeding until late autumn, whereas livestock prices showed a steady upward trend during the whole fiscal year. All this caused the gross margin from this business, excluding holding results, to be 37% higher than in the last year. Our milking business, concentrated in our "El Tigre" dairy facility, was 54% below its margins recorded in the past year, due to a lower price obtained for the liters produced, partially offset by higher production efficiency.

As concerns land transformation and sale, during this year we developed approximately 8,800 hectares in the entire region: 3,000 hectares in Argentina, 4,400 hectares in Brazil and 1,400 hectares in Paraguay. Over the past fiscal years, we have been reducing the pace of development due to the high costs in USD per hectare and the macroeconomic conditions prevailing in Argentina. Given the new scenario and low transformation cost in dollars, during the next fiscal we expect to be able to secure the consents required for increasing the surface area under development, as we hold approximately 180,000 hectares of land reserves in the region suitable for agricultural and/or livestock production.

Concerning the sale of farmlands, we did not close any transactions during fiscal year 2016. Specifically in Argentina, the farmland sale market was affected during the last years by the controls on capitals that prevailed until December 2015 and the profitability conditions of the industry. With the new administration and new governmental policies for the farming industry we have seen a positive change in this market's prospects together with a partial amendment of the law on foreign land ownership that simplifies and makes more expedite the process of getting authorization. In this regard, after year-end we sold the "El Invierno" and "La Esperanza" farms, comprising 2,615 hectares

used for agriculture and located in the district of “Rancul”, province of La Pampa, for USD 6 million (USD 2,294 per hectare). These farms’ book value was approximately ARS 13.5 million; therefore, the transaction will result in a gain of ARS 72 million, which will be recorded in the first quarter of fiscal year 2017.

We maintain our 35.72% interest in Agro-Uranga S.A., a company that owns two farms located in the core area of the Pampas prairies that deliver highly satisfactory production results, emphasizing on soil conservation, the use of rational farming methods, and care for the environment. During this year, Agro-Uranga S.A. posted net income for Ps. 73.6 million and distributed dividends to its shareholders for Ps. 1.7 million.

Futuros y Opciones S.A. (“FyO”), in which we hold a 59.59% equity interest, recorded higher revenues than in 2015 due to higher traded volumes, the effect of the foreign currency depreciation, and the strong increase in trading revenues. Its net income reached Ps. 27.4 million and it distributed dividends to its shareholders for approximately Ps. 3.0 million. During this fiscal year FyO sold its news website to Agrofy S.A., which seeks to become a leading online business platform in the farming industry and in which Cresud holds a 43% equity interest. During its first fiscal year, Agrofy has managed to gather over 500 agribusiness suppliers who sell their products through this platform.

With respect to our investment in Carnes Pampeanas S.A., our meat packing plant located in La Pampa (Argentina) suffered losses again during this year due to shortcomings in slaughter cattle supplies and the beef sale and export markets. Loss from this segment was Ps. 63.2 million. Taking into account the technical and management conditions of the business and the measures adopted by the new government, which point to increasing future cattle supply and promoting exports, we are optimistic that the industry will recover satisfactorily in the future. Besides, the building improvements aimed at producing and exporting Kosher salted cuts to Israel will significantly improve the current business equation.

Our interest in IRSA, a leading real estate company in Argentina, reached 64.31% at year-end. We believe in the long-term value of our investment in this company, which we expect will continue to deliver outstanding business results. As concerns the Argentine operating center, the shopping center segment, its main line of business in terms of assets and EBITDA, has proved to be extremely robust, with tenant sales growing at 34% (30% considering the same shopping centers) compared to the previous year and a portfolio of 333,155 square meters of gross leaseable area and 98.4% occupancy. Moreover, its investment in IDB Development Corporation, the conglomerate that is managed by the Israeli operating center, has been simplifying its capital structure and significantly reducing its indebtedness levels. At present, IRSA has no capital commitments pending in this company, and we hope IDB will be able to start funding its operations on its own by selling assets, refinancing its debt or applying dividends. In this regard, its subsidiary Discount Investment Corporation Ltd. (“DIC”) has recently accepted an offer to sell its interest in the agrochemical company ADAMA for USD 230 million in excess of the repayment of a loan that had been granted to the company by a Chinese bank. Moreover, IDBD and DIC issued debt securities in the markets again, accruing interest at 4.25% and 5.70%, and due in 2019, and 2025, respectively.

As concerns financial matters, in light of the favorable conditions, we issued debt in the local market at very attractive rates, so as to continue optimizing our capital structure and improving our indebtedness profile. We are much pleased with our stock’s higher liquidity. Proof of this is that after many years, Cresud rejoined the local Merval Index in the third quarter of this calendar year.

As part of our business strategy, at CRESUD we contribute to improving living conditions in the communities in which we operate, driven by our mission to implement sustainable business practices. We focused our CSR programs on eight rural schools located in the Provinces of Salta, Santa Fe and Chaco, with education, health and care for the environment as pillars of our actions, and we have also carried out building improvement works. In our “Los Pozos” farm, located in the northern region of Argentina, we donated a 1,600 sqm tract of land and the funds for building a first-aid center, which is fully completed, under an agreement with the Ministry of Health of Salta.

Looking ahead to 2017, the season is expected to have balanced rainfall levels. In Argentina, in light of the new macroeconomic conditions and improved profitability equation for the industry, the Company has planned to grow more traditional crops in its own lands and increase the area leased to third parties. We will continue developing lands and selling farms that have reached their highest appreciation level. Moreover, we hope that the real estate businesses from our subsidiary IRSA will continue to be as solid as in the past years and that its stake in the Israeli conglomerate IDBD will

continue its corporate structure simplification and deleveraging process and IRSA will start reaping the fruits of this investment in the future.

With a future that presents challenges and opportunities alike, we believe that the commitment of our employees, the strength of our management and the trust placed on us by our shareholders will be key elements in our ability to continue growing and successfully implementing our strategy. To all of you, my most sincere thanks.

City of Buenos Aires, September 8, 2016.

Results and highlights for the period

In ARS Million	IVQ 2016	IVQ 2015	YoY Var	FY16	FY15	YoY Var
Revenues	13,827.1	1,583.0	7.7	35,384.0	5,652.0	526.0%
Costs	(9,272.3)	(1,332.0)	6.0	(26,090.0)	(4,770.0)	447.0%
Initial recognition and changes in the net realizable value of biological assets and agricultural products at the point of harvest	484.0	312.0	0.6	1,660.0	1,324.0	25.4%
Changes in the net realizable value of agricultural products after harvest	77.0	(14.0)	-	208.0	(34.0)	-
Gross profit	5,115.7	549.0	8.3	11,162.0	2,172.0	413.9%
Gain from disposal of investment properties	46.0	354.0	(0.9)	1,101.0	1,150.0	-4.3%
Gain from disposal of farmlands	(2.0)	549.0	-	(2.0)	550.0	-
General and administrative expenses	(1,245.0)	(188.0)	5.6	(2,244.0)	(617.0)	263.7%
Selling expenses	(3,510.0)	(152.0)	22.1	(6,279.0)	(474.0)	1224.7%
Other profit from operations, net	(96.0)	(56.0)	0.7	8.0	12.0	-33.3%
Profit from operations	308.7	1,056.0	(0.7)	3,746.0	2,793.0	34.1%
Share of profit / (loss) of associates and joint ventures	514.0	407.0	0.3	(169.0)	(436.0)	-61.2%
Profit from operations before financing and taxation	822.7	1,463.0	(0.4)	3,577.0	2,357.0	51.8%
Financial results, net	(1,959.0)	(183.0)	9.7	(6,246.0)	(1,297.0)	381.6%
Loss before income tax	(1,134.0)	1,280.0	-	(2,669.0)	1,060.0	-
Income tax expense	160.0	(70.0)	-	197.0	(303.0)	-
Profit / (Loss) for the period	(974.0)	1,210.0	-	(2,472.0)	757.0	-
Attributable to:	-	-	-	-	-	-
Cresud's Shareholders	(467.0)	601.5	-	(1,402.0)	114.0	-
Non-controlling interest	(508.0)	608.4	-	(1,070.0)	643.0	-

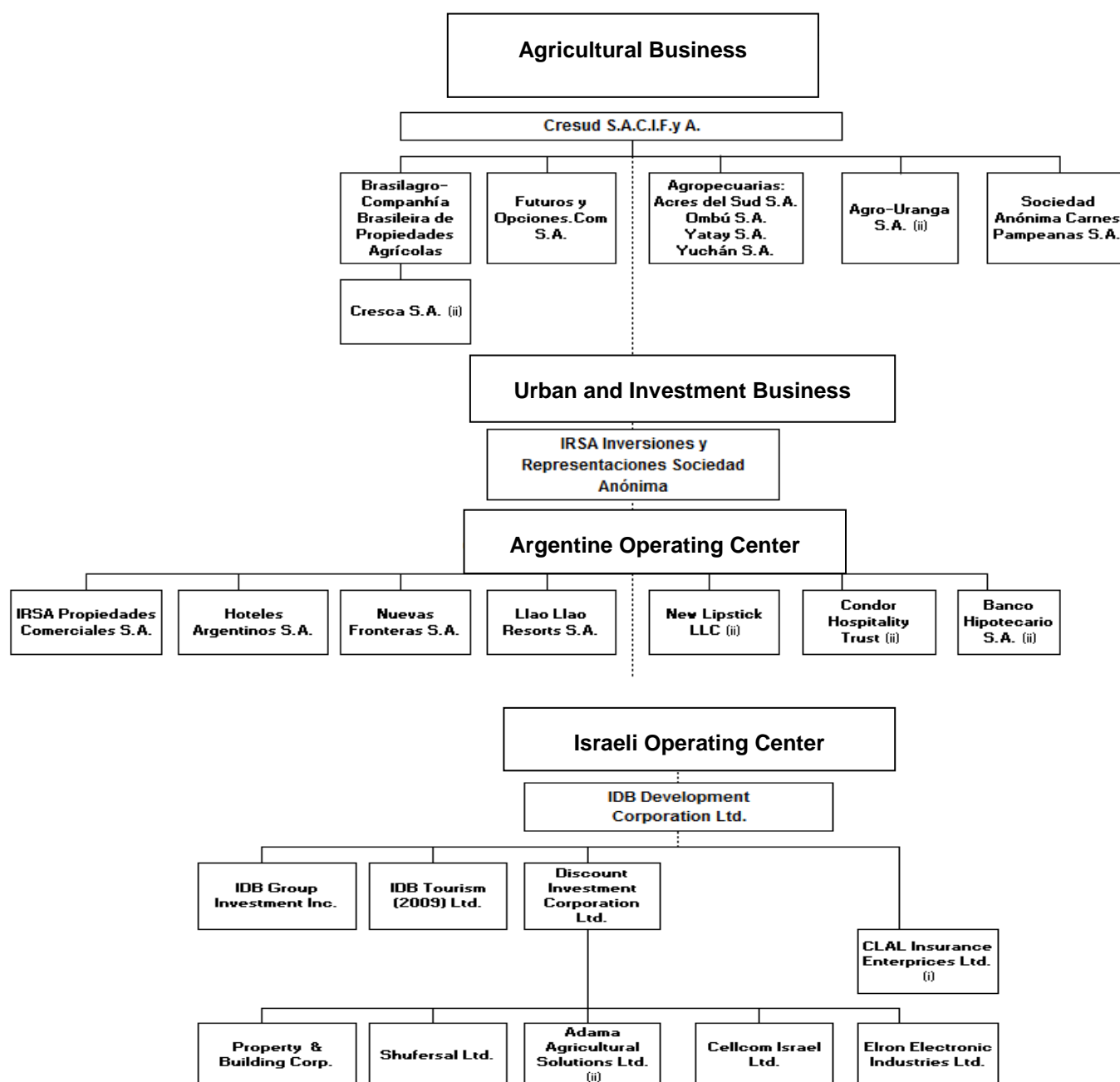
The Company's consolidated results reflect in all lines the material accounting impact of IDBD's consolidation. Revenues for fiscal year 2016 increased 526.0% and loss from operations decreased by Ps. 267 million. In turn, the Company recorded a net loss of ARS 2,472 million for fiscal year 2016, compared to a net income of Ps. 757 million in fiscal year 2015.

Consolidation of IDB Development Corporation

On October 11, 2015, the Group obtained control of the Israeli company IDB Development Corporation Ltd. ("IDBD"). During the past quarter, this investment was consolidated in the balance sheet, and as from this third quarter of fiscal year 2016, it is also disclosed at income statement level. IDBD's fiscal year-end is on December 31 of each year, whereas the Company's is on June 30. Moreover, in compliance with Israeli regulations, IDBD reports its quarterly and annual results after the expiration of the Argentine statutory terms. For such reasons, the Company will be unable to have available IDBD's quarterly results as and when due in order to report them to the CNV in its financial statements for the period ended March 31, 2016. Therefore, the Company will consolidate results from IDBD's operations with a three-month mismatch, adjusted by the effects of material transactions occurred during the reported period. In this way, the results of IDBD's operations for the period running from October 11, 2015 (date of acquisition) until March 31, 2016 are included in the interim comprehensive results of the Group for the fiscal year ended on June 30, 2016, except for material transactions considered. The Company estimates a similar mismatch in obtaining IDBD's results in the succeeding periods.

IDBD is one of the largest and most diversified holding companies in Israel. Through its subsidiaries, associates, joint ventures and other investments, IDBD is engaged in numerous markets and industry sectors in Israel and other countries, including real estate (Property & Building Corporation), supermarkets (Shufersal), agroindustry (Adama), insurance (Clal Holdings Insurance Enterprises, hereinafter Clal), and telecommunications (Cellcom). In April 2016, IDBD's shares were delisted from the Tel Aviv Stock Exchange ("TASE"). However, the company will continue to be registered with the TASE as a "Debentures Company" pursuant to Israeli law, as it has bonds listed on such exchange.

In the disclosure of income, we have decided to report our operations based on our main business lines: “Agricultural Business” and “Urban and Investments Business” derived from our subsidiary IRSA, which will be in turn subdivided into two operating centers: “Argentina” (including the businesses in Argentina and the international investments in the Lipstick Building in New York and the Condor Hospitality Trust hotel REIT) and “Israel” (including IDBD).



(i) Recorded under current assets as a financial asset available for sale.

(ii) Corresponds to associates and joint ventures of the Group; therefore, they are not consolidated.

Description of Operations by Segment

Due to the disclosure of income pursuant to IFRS, total income by segment differs from total consolidated income. The difference lies in the presence of joint ventures included in the segment but not in the consolidated income statement. Consolidation is made in proportion to our interest in such business. The impact mainly refers to our agricultural businesses in Paraguay and several urban real estate businesses of our subsidiary IRSA in both the Argentine and Israeli operating centers.

	FY 2016					FY 2015			YoY Var
	Urban and Investments Business				Total	Agri	Urban	Total	
	Agri	Argentina	Israel	Subtotal					
Revenues	2,912	3,284	28,229	31,513	34,425	2,395	2,547	4,942	596.6%
Costs	(3,819)	(839)	(20,481)	(21,320)	(25,141)	(3,419)	(633)	(4,052)	520.5%
Initial Recognition and Changes in the net realizable value of biological assets and agricultural products at the point of harvest	1,717	-	-	-	1,717	1,347	-	1,347	27.5%
Changes in the net realizable value of agricultural products after harvest	208	-	-	-	208	-34	-	-34	-
Gross profit	1,016	2,445	7,748	10,193	11,209	289	1,914	2,203	408.8%
Gain from disposal of investment properties	-	1,056	45	1,101	1,101	-	1,150	1,150	(4.3%)
Gain from disposal of farmlands	(2)	-	-	-	(2)	570	-	570	-
General and administrative expenses	(314)	(554)	(1,387)	(1,941)	(2,255)	(247)	(378)	(625)	260.8%
Selling expenses	(338)	(264)	(5,686)	(5,950)	(6,288)	(286)	(195)	(481)	1207.3%
Gain from business combinations	-	-	-	-	-	-	-	-	-
Other operating income, net	(70)	83	-	83	13	(19)	29	10	30.0%
Profit / (loss) from operations	292	2,766	720	3,486	3,778	307	2,520	2,827	33.6%
Share of profit / (loss) of associates	23	(544)	338	(206)	(183)	1	(448)	(447)	(59.1%)
Segment Profit / (Loss)	315	2,222	1058	3,280	3,595	308	2,072	2,380	51.1%

Our Portfolio

Our portfolio is composed of 282,329 hectares in operation and 471,888 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	Beef Cattle/Milk	Under Development	Reserved	
Argentina	67,233	158,932	3,234	329,215	558,613
Brazil	40,684	-	3,638	79,995	124,317
Bolivia	8,484	-	-	4,048	12,533
Paraguay	5,870	1,126	2,364	49,394	58,754
Total	122,271	160,058	9,236	462,652	754,217

* Includes Brazil at 100%, Paraguay at 50%, Agro-Uranga at 35.72% and 132,000 hectares under concession.

**Includes 85,000 hectares intended for sheep breeding

The following table sets forth, for the fiscal years indicated, the amount of owned land, leased land, land under concession, and land leased to third parties used for agricultural production, measured in hectares:

	2013 ⁽¹⁾⁽³⁾	2014 ⁽¹⁾⁽³⁾	2015 ⁽¹⁾⁽³⁾	2016 ⁽¹⁾⁽³⁾
Own farms	127,952	122,632	128,795	112,112
Leased farms	45,624	58,030	58,167	43,309
Farms under concession	8,937	20,986	21,547	23,196
Own farms leased to third parties	18,223	7,616	3,267	2,365
Total	200,736	209,264	211,776	180,982

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

Segment Results

Agricultural Business:

I) Development, Transformation and Sale of Farmlands

After recording farm sales for ARS 814 million in 2015, we did not close any transactions during 2016. Specifically in Argentina, the farmland sale market was affected during the last years by the controls on capitals that prevailed until December 2015 and the profitability conditions of the business. With the new administration and new government policies for the farming industry we have seen a positive change in this market's prospects. In this regard, after year-end we sold the "El Invierno" and "La Esperanza" farms, comprising 2,615 hectares used for agriculture and located in the district of "Rancul", province of La Pampa, for USD 6 million (USD 2,294 per hectare). These farms' book value was approximately ARS 15.1 million; therefore, the transaction will result in a gain of ARS 78 million, which will be recorded in the first quarter of fiscal year 2017.

In ARS Million	IVQ 2016	IVQ 2015	YoY Var	FY16	FY15	YoY Var
Revenues	-	-	-	-	-	-
Costs	(2.3)	(3.2)	(29.0%)	(9.0)	(9.0)	0.0%
Gross loss	(2.3)	(3.2)	(29.0%)	(9.0)	(9.0)	0.0%
Gain from disposal of investment properties	-	-	-	-	-	-
Gain from disposal of farmlands	(2.0)	548.4	-	(2.0)	570.0	-
Profit / (loss) from operations	(4.1)	543.7	-	(12.0)	552.0	-
Segment profit / (loss)	(4.1)	543.7	-	(12.0)	552.0	-

Area under Development (hectares)	Developed 2013/2014	Developed 2014/2015
Argentina	1,703	3,034
Brazil	7,475	4,416
Paraguay (1)	2,367	1,400
Total	11,545	8,850

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

II) Farming

II.a) Grains and Sugarcane

The 2016 crop season was marked by a favorable change in macroeconomic conditions for the Argentine agricultural industry. In December 2015, the new government announced the elimination of export withholding taxes on corn and wheat and reduced by 5 pp. export withholding taxes on soybean, down from 35% to 30%. These measures, coupled with the deregulation and depreciation of the exchange rate, have given rise to a significant upsurge in prices and better agricultural and livestock production margins. In Bolivia, results were affected by depressed commodity prices during most of the fiscal year. In Brazil, yields were lower than expected due to the draught that affected the areas of Bahia and Piaui, whereas in Paraguay very good yields were recorded in the main crops and prices were higher than in the rest of the region due to the late harvesting that captured the rise in commodity prices observed in the last months of the fiscal year.

During this year, we planted approximately 180,000 hectares in the 4 countries of the region, reducing the acreage as compared to 2015 due to the sales made in Cremaq in Brazil, and Fon Fon in Bolivia, and the smaller acreage leased to third parties in Argentina. Our output, excluding sugarcane, reached 483,000 tons, whereas soybean and corn yields were 2.2 tons per hectare and 5.5 tons per hectare, respectively, higher than those reached in the previous crop season.

Crops

In ARS Million	IVQ 2016	IVQ 2015	YoY Var	FY16	FY15	YoY Var
Revenues	375.0	467.4	(19.8%)	1,152.0	987.0	16.7%
Costs	(560.3)	(645.0)	(13.1%)	(1,813.0)	(1,819.0)	(0.3%)
Initial Recognition and Changes in the net realizable value of biological assets and agricultural products at the point of harvest	194.6	283.2	(31.3%)	1,071.0	918.0	16.7%
Changes in the net realizable value of agricultural products after harvest	(15.4)	77.5	-	208.0	(34.0)	-
Gross profit	(6.1)	183.1	-	618.0	52.0	1088.5%
General and administrative expenses	(50.0)	(62.3)	(19.8%)	(174.0)	(159.0)	9.4%
Selling expenses	(62.9)	(70.5)	(10.7%)	(216.0)	(161.0)	34.2%
Other operating results, net	(22.8)	(92.1)	(75.3%)	(74.0)	(9.0)	722.2%
Profit / (loss) from operations	(141.8)	(41.8)	239.2%	154.0	(277.0)	-
Share of profit / (loss) of associates and joint ventures	0.4	8.7	(94.9%)	26.0	1.0	2500.0%
Segment profit / (loss)	(141.3)	(33.0)	327.7%	180.0	(276.0)	-

Sugarcane

In ARS Million	IVQ 2016	IVQ 2015	YoY Var	FY16	FY15	YoY Var
Revenues	43.0	106.6	(59.7%)	294.0	198.0	48.5%
Costs	(107.3)	(205.1)	(47.7%)	(511.0)	(368.0)	38.9%
Initial Recognition and Changes in the net realizable value of biological assets and agricultural products at the point of harvest	70.1	130.2	(46.2%)	318.0	187.0	70.1%
Changes in the net realizable value of agricultural products after harvest	-	-	-	-	-	-
Gross profit / (loss)	5.7	31.7	(82.0%)	101.0	17.0	494.1%
General and administrative expenses	(6.6)	(12.0)	(45.4%)	(34.0)	(20.0)	70.0%
Selling expenses	(2.3)	(3.1)	(26.5%)	(8.0)	(8.0)	0.0%
Other operating results, net	0.1	3.3	(98.3%)	4.0	(2.0)	-
Loss from operations	(3.1)	19.9	-	63.0	(13.0)	-
Share of profit / (loss) of associates and joint ventures	-	-	-	-	-	-
Segment loss	(3.1)	19.9	-	63.0	(13.0)	-

Operations

Production

The following table shows our crop production volume measured in tons for the following fiscal years:

Production Volume (1)	FY16	FY15
Corn	229,893	310,874
Soybean	168,916	279,608
Wheat	16,186	15,990
Sorghum	1,127	1,740
Sunflower	3,053	11,992
Other	6,432	6,999
Total Crops (tons)	425,607	627,203
Sugarcane (tons)	1,228,830	928,273

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

Below is the geographical distribution of our agricultural production during the last two seasons:

	FY16				
In tons	Argentina	Brazil	Bolivia	Paraguay	Total
Corn	189,708	19,982	13,233	6,969	229,893
Soybean	117,744	26,252	15,416	9,505	168,916
Wheat	15,525	-	661	-	16,186
Sorghum	56	-	773	298	1,127
Sunflower	3,053	-	-	-	3,053
Other	5,367	1,065	-	-	6,432
Total Crops and Other	331,453	47,299	30,083	16,772	425,607
Sugarcane	-	1,075,183	153,648	-	1,228,830

	FY15				
In tons	Argentina	Brazil	Bolivia	Paraguay	Total
Corn	253,929	40,102	10,199	6,644	310,874
Soybean	132,101	111,751	30,471	5,285	279,608
Wheat	15,990	-	-	-	15,990
Sorghum	538	-	406	796	1,740
Sunflower	11,992	-	-	-	11,992
Other	6,916	-	-	82	6,999
Total Crops and Other	421,467	151,854	41,075	12,807	627,203
Sugarcane	-	830,204	98,069	-	928,273

Sales

Below is the total volume of crops sold broken down into geographical areas, measured in tons:

Volume of Sales	FY16			FY15		
	D.M. (1)	F.M. (2)	Total	D.M. (1)	F.M. (2)	Total
Corn	217.3	37.9	255.2	269.7	0.0	269.7
Soybean	182.5	15.8	198.3	172.9	77.2	250.1
Wheat	17.3	29.3	46.6	7.0	0.1	7.1
Sorghum	1.0	0.0	1.0	1.6	0.0	1.6
Sunflower	10.4	0.0	10.4	5.2	0.0	5.2
Other	5.9	0.0	5.9	1.9	0.0	1.9
Total Crops (tons)	434.4	83.0	517.4	458.3	77.3	535.6
Sugarcane (ton)	1,219.7	0.0	1,219.7	924.5	0.0	924.5

(1) Domestic Market

(2) Foreign Market

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

► Profit from the Crops segment increased by Ps. 457 million, up from a Ps. 276 million loss in FY 2015 to a profit of Ps. 181 million during FY 2016, mainly due to:

- an increase of Ps. 243 million in holding results, mainly in Argentina, as a consequence of the general rise in prices occurred in late December as a result of the elimination/reduction of withholding taxes on agriculture, the strong devaluation of the pesos vis-à-vis the dollar, and the release of foreign exchange controls;
- an increase of Ps. 237 million in production results, mainly resulting from improved yields and higher prices in Argentina, both in expected results in corn and results generated by harvested soybean and corn, offset by lower results from Brazil caused by lower yields and a smaller planted area and higher costs;

- Profit from the Sugarcane segment increased by Ps. 76 million, up from a loss of Ps. 12.1 million in FY 2015 to a profit of Ps. 63 million in FY 2016, mainly reflecting: the results obtained in Brazil:
 - The results obtained in Brazil due to a higher output resulting from a larger surface area and higher prices. Additionally, we observed an increase on the expected results from the planted sugarcane.
 - an increase in revenues from sales net of selling expenses of Ps. 21 million, due to the 29.5% increase in volumes sold.

II.b) Cattle and Milk Production

As concerns our cattle and dairy business in Argentina, better weather conditions in the north of Argentina, where we have our biggest herds, made it possible to increase production and allowed us to extend green pasture feeding until late autumn, whereas livestock prices showed a steady upward trend during the whole fiscal year. Our milking business, concentrated in our “El Tigre” dairy facility, was 54% below its margins recorded in the past year, due to a lower price obtained for the liters produced, partially offset by higher production efficiency.

Cattle

In ARS Million	IVQ 2016	IVQ 2015	YoY Var	FY16	FY15	YoY Var
Revenues	24.9	21.5	16.0%	178.0	143.0	24.5%
Costs	(60.3)	(44.6)	35.2%	(268.0)	(225.0)	19.1%
Initial recognition and changes in the value of biological assets and agricultural products	100.0	65.0	53.9%	254.0	167.0	52.1%
Changes in the net realizable value of agricultural products	(0.4)	(0.0)	35100.0%	-	-	-
Gross profit	64.3	41.9	53.6%	164.0	85.0	92.9%
Profit from operations	46.3	31.1	49%	103.0	36.0	186.1%
Segment Profit	46.3	31.1	49%	103.0	36.0	186.1%

Beef Cattle (tons)	IVQ 2015	IVQ 2014	YoY Var	FY 2015	FY 2014	YoY Var
Beef production	1,434	1,507	(4.8%)	7,714	7,812	1.3%
Beef sales	714	2,203	(67.5%)	8,314	8,871	(6.3%)

- Profit from the Cattle segment increased by Ps. 67 million, up from a profit of Ps. 36 million for FY 2015 to a profit of Ps. 103 million for FY 2016, mainly due to an increase in holding results explained by a higher variation this FY16 in the cattle price compared to 2015.

Stock of Cattle Herds	FY15	FY14	FY13
Breeding stock	58,747	52,052	54,808
Winter grazing stock	11,126	12,102	10,932
Total Stock (heads)	69.873	64.154	65.740

Milk

In ARS Million	IVQ 2016	IVQ 2015	YoY Var	FY16	FY15	YoY Var
Revenues	21.0	18.8	11.8%	65.0	72.0	(9.7%)
Costs	(40.5)	(34.6)	17.0%	(135.0)	(133.0)	1.5%
Changes in the net realizable value of biological assets and agricultural products	-	-	-	-	-	-
Gross profit	5.2	3.9	34.2%	4.0	14.0	(71.4%)
Profit / (loss) from operations	0.9	0.5	85.9%	(8.0)	4.0	-
Segment Profit / (Loss)	0.9	0.5	86%	(8.0)	4.0	-

Milk Production	IVQ 2015	IVQ 2014	YoY Var	FY 2015	FY 2014	YoY Var
Milk Production (liters)	3,697	4,271	(13.4%)	16,273	17,526	(7.1%)
Milk sales (liters)	3,437	4,411	(22.1%)	15,537	16,924	(8.2%)
Daily average milking cows (heads)	1,297	2,120	(38.8%)	1,788	2,189	(18.3%)
Milk Production / Milking Cow / Day (liters)	31.3	22.1	41.6%	23.8	21.5	10.7%

- Profit from this segment decreased Ps. 12 million, down from a profit of Ps. 4 million in FY 2015 to a loss of Ps. 8 million for FY 2016. This reflects mainly the decrease in the results from milk production due to the 8% drop in milk prices, lower production volumes due to a combination of a smaller number of milking cows and higher liters per cow per day.

III) Other Segment

Under the “Other” segment we report the results from Leases and Agricultural Services, Agro-industrial Activities and others, including partially our investment in FyO.

Leases and Agricultural Services

In ARS Million	IVQ 2016	IVQ 2015	YoY Var	FY16	FY15	YoY Var
Revenues	38.2	7.8	389.7%	78.0	61.0	27.9%
Costs	(6.0)	(5.4)	11.2%	(20.0)	(21.0)	(4.8%)
Gross profit	32.1	2.4	1258.1%	58.0	40.0	45.0%
Profit from operations	30.9	1.7	1687.9%	53.0	37.0	43.2%
Segment Profit	30.9	1.7	1687.9%	53.0	37.0	43.2%

Net profit from this segment increased 43.2% in fiscal year 2016 as compared to the previous fiscal year, mainly because of the increase in soybean prices in Brazil and the evolution of the exchange rate in Argentina.

Agro-industrial Activities

In ARS Million	IVQ 2016	IVQ 2015	YoY Var	FY16	FY15	YoY Var
Revenues	298.5	217.4	37.3%	966.0	806.0	19.9%
Costs	(293.5)	(210.1)	39.7%	(925.0)	(739.0)	25.2%
Gross Profit / (Loss)	5.0	7.3	(31.9%)	41.0	67.0	(38.8%)
Loss from operations	(31.5)	(19.6)	60.7%	(63.0)	(35.0)	80.0%
Segment Loss	(31.5)	(19.6)	60.7%	(63.0)	(35.0)	80.0%

During fiscal year 2016, this segment recorded a net loss of Ps. 28 million, from a loss of Ps. 36 million in FY 2015 to a loss of 63 million in FY 2016, mainly explained by a lower share of beef that did not accompany the increases in livestock prices and the exchange rate compared to the rest of the currencies of peers.

Others (including partially FyO)

This segment partially includes our investment in Futuros y Opciones (FyO) as the grain trading activity is reflected in the “Grain” segment.

In ARS Million	IVQ 2016	IVQ 2015	YoY Var	FY16	FY15	YoY Var
Revenues	20.8	32.4	(35.7%)	179.0	128.0	39.8%
Costs	(33.4)	(22.2)	50.7%	(140.0)	(105.0)	33.3%
Gross profit	(12.6)	10.2	-	39.0	23.0	69.6%
Loss from operations	(27.8)	3.9	-	2.0	3.0	(33.3%)
Segment Loss	(28.6)	4.2	-	(1.0)	3.0	-

Urban and Investments Business through our Subsidiary IRSA (Inversiones y Representaciones Sociedad Anónima).

We develop our Urban and Investments segment through our subsidiary IRSA. As of June 30, 2016, our direct and indirect equity interest in IRSA was 63.38% over stock capital (63.77% considering the treasury shares that were repurchased).

Starting in the second quarter of 2016, we have decided to break down our operations into an Argentine Operating Center and an Israeli Operating Center. From the Argentine Operating Center, the Group, through IRSA and its subsidiaries, manages the businesses in Argentina and the international investments in the Lipstick Building in New York and the Condor Hospitality Trust hotel REIT. From the Israeli Operating Center, the Group manages IDBD.

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 June 30, 2016:

In millions of ARS	FY16	FY 15	YoY Var	FY16	FY 15	YoY Var
Revenues from sales, leases and services	12,944	894	1347.9%	32,675	3,403	860.2%
Operating Income	338	649	-47.9%	3,484	2,515	38.5%
Depreciation and Amortization	1,490	40	3,625.0%	2,694	175	1439.4%
EBITDA	1,828	689	165.3%	6,178	2,690	129.7%
Net Income/(loss)	-833	814	-202.3%	-1,872	650	-388.0%
Attributable to the parent company's shareholders	-578	765	-175.6%	-1,254	520	-341.2%
Attributable to non-controlling interest	-255	49	-620.4%	-618	130	-575.4%

	FY 2016			FY 2015	FY 2014
	Argentine Operating Center	Israeli Operating Center	Total	Argentine Operating Center	Argentine Operating Center
Revenues from sales, leases and services	4,446	28,229	32,675	2,548	2,156
Costs	-2018	-20,481	-22,499	-628	-639
Gross profit	2,428	7,748	10,176	1,920	1,517
Gain from sale of investment properties	1,068	45	1,113	1,163	236
General and administrative expenses	-546	-1,387	-1,933	-378	-300
Selling expenses	-262	-5,686	-5,948	-196	-150
Other operating income, net	76	0	76	28	-49
Operating Income	2,764	720	3,484	2,537	1,254
Income / (loss) from interests in associates and joint ventures	-534	338	-196	-446	-440
Income for this segment	2,230	1,058	3,288	2,091	814

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., one of Argentina's leading operators of commercial real estate with a controlling interest in 16 shopping centers and 6 office buildings totaling 412,000 sqm of Gross Leaseable Area (333,155 in shopping centers and 79,048 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 center segment, in fiscal year 2016, consumption at shopping centers maintained good performance levels. Our tenants' sales reached ARS 28,904.9 million during fiscal year 2016, 34.3% higher than in fiscal year 2015 (29.6% without considering sales from Distrito Arcos and Alto Comahue Shopping). In the second semester of 2016, there was a slight deceleration in the growth rate of sales, due to the slowdown in consumption. Our portfolio's leasable area totaled 333,155 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 35.3% during this fiscal year, whereas Operating Income reached ARS 1,638 million (+ 37.6% compared to fiscal year 2015). The EBITDA margin, excluding income from common maintenance expenses and common advertising fund, was 75%, in line with the margins recorded in the previous fiscal year.

Revenues from the Offices segment decreased slightly by 2.1% in fiscal year 2016 due to a 27.5% reduction in the leaseable area as a result of the sales made during the period, offset by higher rental prices in ARS/sqm, as lease agreements are denominated in U.S. dollars. In addition, the portfolio's occupancy stood at 98.7%, slightly higher than the one recorded in the past fiscal year. EBITDA from this segment, excluding stamp tax expenses from asset dispositions, increased 5% in the period due to lower revenues and higher administrative and selling expenses.

Another segment that generated significant results was Sales and Developments. The segment generated ARS 1,068 million in the FY16.

Israeli Operating Center

On October 11, 2015, the Group acquired control of IDB Development Corporation Ltd. ("IDBD"). As of June 30, 2016, our subsidiary IRSA's equity interest in IDBD was 68.3%, and the Group's investment in IDBD was equivalent to approximately USD 515 million as of that date.

IDBD is one of the largest and most diversified holding companies in Israel. Through its subsidiaries, associates, joint ventures and other investments, IDBD is engaged in numerous markets and industry sectors in Israel and other countries, including real estate (Property & Building Corporation),

supermarkets (Shufersal), agroindustry (Adama), insurance (Clal Holdings Insurance Enterprises, hereinafter Clal), and telecommunications (Cellcom).

After March 31, 2016, IDBD's shares were delisted from the Tel Aviv Stock Exchange ("TASE") and all minority warrants were cancelled. The company will continue to be registered with the TASE as a "Debentures Company" pursuant to Israeli law, as it has bonds listed in such exchange.

Segment Data – Israeli Operating Center

Within this center, the Group operates in the following segments:

- The "**Commercial Properties**" segment mainly includes the assets and operating income derived from the business related to the subsidiary PBC. Through PBC, the Group operates rental and residential properties in Israel, United States and other locations in the world, and executes commercial projects in Las Vegas, United States of America.
- The "**Supermarkets**" segment includes the assets and operating income derived from the business related to the subsidiary Shufersal. Through Shufersal, the Group mainly operates a supermarket chain in Israel.
- The "**Agrochemicals**" segment includes the income from the associate Adama. Adama is a company engaged in agrochemicals, in particular for crops.
- The "**Telecommunications**" segment includes the assets and operating income derived from the business related to the subsidiary Cellcom. Cellcom is supplier of telecommunication services and its main businesses include the provision of cellular and fixed telephone, data and Internet services, among others.
- The "**Insurance**" segment includes the assets from the business related to Clal. This company is one of the largest insurance groups in Israel, whose businesses mainly comprise pension and social security insurance and other insurance lines. 51% of Clal's controlling shares are deposited in a trust following the instructions of the Israeli's Capital Markets Commission in order to comply with the sale of Clal's controlling stake; therefore, the company is not fully consolidated on a line-by-line basis, but under a single line as a financial instrument at fair value, as required under IFRS under the current circumstances in which no control is exercised.
- The "**Others**" segment includes the assets and income from other miscellaneous businesses, such as technological developments, tourism, oil and gas assets, electronics, and other sundry activities.

Operating Results – In Millions of NIS

March 31, 2016 (for the period 09/30/15 through 03/31/16)							
Israeli operating center (million NIS)							
	Commercial Properties	Supermarkets	Agrochemicals	Telecommunications	Insurance	Others	Total
Revenues from sales, leases and services	478	5,783		2,068		443	8,772
Costs	-260	-4,327		-1,406		-373	-6,366
Gross profit / (loss)	218	1,456	-	662	-	72	2,406
Gain from sale of investment properties	14	-		-			14
General and administrative expenses	-31	-63		-220		-117	-431
Selling expenses	-9	-1,261		-464		-33	-1,767
Other operating loss, net	-	-		-		-	-
Operating income / (loss)	192	132	-	-22	-	-78	222
Share of profit / (loss) of associates and joint ventures	30	-	104	-		-29	105
Segment profit / (loss)	222	132	104	-22	-	-107	327
Operating assets	15,466	7,564	-	7,026	1,182	6,527	36,639
Operating liabilities	12,706	6,067	-	5,564		9,800	33,470
Operating assets / (liabilities), net	2,761	1,497	-	1,461	1,182	16,327	3,169

The revenues and operating income from the **Commercial Properties** segment through the subsidiary Property & Building (“PBC”) reached NIS 478 million and NIS 192 million, respectively (USD 124 million and USD 50 million, respectively) during the consolidated six-month period (October 1, 2015 to March 31, 2016). During this six-month period 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 NIS 5,783 million (USD 1,498 million) for the six-month period, mainly due to an increase in revenues from the retail and real estate segments. Operating income from this segment reached NIS 132 million (USD 33 million).

The **Telecommunications** segment, operated by Cellcom, recorded revenues of NIS 2,068 million (USD 536 million). During the quarter January-March 2016, there was a slight decrease in revenues from cell phone services due to the ongoing erosion of prices and in revenues from landline services, mainly due to a reduction in revenues from international call services, which was partially offset by an increase in revenues from the television segment. Operating loss for the six-month period was NIS 22 million (USD 6 million).

The **“Others”** segment recorded revenues for NIS 443 million (USD 115 million), and an operating loss of NIS 78 million (USD 20 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 NIS 1,182 million (USD 306 million) as of June 30, 2016.

Finally, the results from the agrochemical company “Adama” are recorded at proportional equity value. For the consolidated six-month period, a profit of NIS 104 million (USD 27 million) was recorded in this regard.

Indebtedness

The following table shows our indebtedness as of June 30, 2016:

Agricultural Business

Description	Currency	Amount (1)	Interest Rate	Maturity
Bank overdrafts	ARS	9.8	Float	< 30 days
Banco Ciudad Loan	USD	13.0	Libor180 days+300 bps; floor: 6%	18-Jan-22
Banco de la Pampa Loan	ARS	0.7	variable [10.5%; 14.5%]	3-Aug-17
Cresud 2018 Series XIV Notes	USD	32.0	1.5%	22-May-18
Cresud 2017 Series XXI Notes	ARS	12.8	27,5% / Badlar + 375 bps	01-Feb-17
Cresud 2018 Series XVI Notes	USD	109.1	1.5%	19-Nov-18
Cresud 2019 Series XXII Notes	USD	22.7	4.50%	12-Ago-19
Cresud 2019 Series XVIII Notes	USD	33.7	4.0%	12-Sep-19
Cresud 2016 Series XIX Notes	ARS	12.4	27.5% / Badlar + 350 bps	13-Sep-16
Cresud 2017 Series XX Notes	USD	18.2	2.5%	13-Mar-17
Banco de la Prov. Bs As Loan	USD	15.0	3.5%	21-Oct-16
Futuros y Opciones Mortgage Loan Com 5449	ARS	0.0	15.3%	28-Dec-16
Bolivia Loan	BOB	0.5	6.0%	20-Jun-16
Short Term Bank Loan	ARS	1.1	Float	< 365 days
Cresud's Total Debt		281.1		
Brasilagro's Total Debt		26.2		

Urban and Investments Business

Argentine Operating Center

Description	Currency	Amount (US\$ MM) (1)	Interest Rate	Maturity
Bank Overdrafts	\$	59.6	Variable	< 180 d
IRSA Tranche I Series I Notes	US\$	74.6	8,50%	Feb-17
IRSA Tranche II Series II Notes	US\$	71.4	11,50%	Jul-20
IRSA Series VI Notes	\$	0.7	Badlar + 450 bps	Feb-17
Loan agreements ⁽²⁾	US\$	60	9%	Jun-17
Other loans	\$	0.5	-	-
IRSA's Total Debt		266.8		
IRSA Cash&Eq+Investments ⁽³⁾	US\$	8.6		
Repurchased Debt	US\$	0		
IRSA's Net Debt	US\$	258.2		
IRSA CP's Debt				
Bank Overdrafts	\$	2.9	Variable	< 360 d
Short Term Bank Loan	\$	2.4	23.00%	Sept-16
IRCP Series I Notes	\$	27.1	26.5% / Badlar + 400 bps	May-17

IRSA CP Series II Notes	US\$	360.0	8.75%	Mar-23
Other Loans	\$	0.7	-	-
IRSA CP's Total Debt		393.0		
IRSA CP's Cash&Eq.+ Investments ⁽⁴⁾	US\$	181.6		
Repurchased debt	US\$	0		
IRSA CP's Net Debt	US\$	211.7		

(1) Face value stated in USD at the exchange rate of Ps.15.040=1 USD, without considering accrued interest or elimination of balances with subsidiaries.

(2) Corresponds to a loan with IRSA CP.

(3) "IRSA Cash & Equivalents plus Investments" includes IRSA's Cash & Equivalents + IRSA's Investments in current and non-current financial assets.

(4) "IRSA CP Cash & Equivalents plus Investments" includes IRSA CP's Cash & Equivalents + IRSA CP's Investments in Current Financial Assets + a loan with IRSA.

Israeli Operating Center

Financial Debt as of June 30, 2016

Debt	Amount ⁽¹⁾
IDBD's Total Debt	806
DIC's Total Debt	1,126
Shufersal's Total Debt	644
Cellcom's Total Debt	994
PBC's Total Debt	2.283
Others' Total Debt ⁽²⁾	115

(1) Face value stated in USD (million) at the exchange rate of 3.8596 ILS/USD, without considering accrued interest or elimination of balances with subsidiaries.

(2) Includes IDB Tourism, Bartan, and IDBG

Material Subsequent Events

Subsequent Events

Sale of "La Esperanza" and "El Invierno" Farms

On July 5, 2016, the Company sold to an unrelated party the entire "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 fixed at USD 6 million (USD 2,294 per hectare). USD 5 million have already been paid, and the remaining balance of USD 1 million is secured by a mortgage on the property and is payable in 5 equal consecutive annual installments, ending in August 2021.

The farms had been valued at approximately ARS 13.5 million. The estimated gain resulting from this transaction is ARS 72 million, and it will be recorded in the first quarter of fiscal year 2017.

Prospects for Next Fiscal Year

The 2016 crop season was marked by a favorable change in macroeconomic conditions for the Argentine agricultural industry. The release of foreign exchange controls, the elimination of withholding taxes on corn and wheat exports, and the reduction of withholding taxes on soybean exports, along with the deregulation of the crops market have given rise to a significant upsurge in prices. The scenario for 2017 seems promising, as local companies are expected to benefit from the trade deregulation policies and lowering of export withholding taxes, although certain doubts still persist regarding the additional reduction of taxes on soybean and its by-products.

Balanced rainfall levels are expected for the 2017 crop season. In Argentina, in light of the new macroeconomic conditions and improved profitability equation for the industry, the Company has planned to grow more traditional crops in its own lands and increase the area leased to third parties, thus expanding in areas with higher production potential and optimizing its agricultural portfolio.

As concerns the beef cattle business in Argentina, prices are expected to accompany the rise in retail prices, as consumption per capita has decreased and export prices have fallen. Costs are also rising, although they are expected to stabilize in the short term. We will continue to work efficiently toward reaching the highest operating margins possible. In the case of our “El Tigre” dairy facility, where we have consolidated all our milk production, we will continue with our strategy consisting in the selective sale of milking cows whilst keeping the more productive herd, in an effort to improve the quantity and quality of milk produced.

In connection with our meat packing plant, which we hold through our interest in Carnes Pampeanas, we will continue working toward optimizing margins after the change in the macroeconomic equation. We believe that Argentina’s new positioning in the farming international trade will lead to a recovery in exports, where we hope to capitalize our differential quality.

As concerns land transformation and value-adding activities, we will make progress in the development of our farms in Argentina, Paraguay and Brazil. 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. Moreover, we expect the real estate business from our subsidiary IRSA to remain as robust as in the past years, and that its stake in the Israeli conglomerate IDBD will continue its corporate structure simplification and deleveraging process and IRSA will start reaping the fruits of this investment in the future.

Agribusiness offers very interesting long-term prospects. 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 Balance Sheets as of June 30, 2016 and 2015

(Amounts stated in millions of Argentine Pesos, unless otherwise stated)

	Note	06.30.16	06.30.15
ASSETS			
Non-current assets			
Investment properties	10	49,766	3,475
Property, plant and equipment	11	26,300	1,977
Properties for sale	12	4,472	130
Intangible assets	13	11,814	176
Biological assets	14	677	459
Investments in associates and joint ventures	8 and 9	16,534	3,394
Deferred tax assets	25	1,658	653
Credits for income tax		173	160
Restricted assets		129	4
Trade and other accounts receivable	17	3,773	427
Financial assets and other assets available for sale	18	3,346	-
Investments in financial assets	16	2,226	623
Derivative financial instruments	19	8	208
Employee benefits		4	-
Total non-current assets		120,880	11,686
Current assets			
Properties for sale	12	241	3
Biological assets	14	455	120
Inventories	15	3,900	511
Restricted assets		748	607
Credits for income tax		541	31
Financial assets and other assets available for sale	18	1,256	-
Trade and other accounts receivable	17	14,158	1,772
Investments in financial assets	16	9,673	504
Derivative financial instruments	19	53	30
Cash and cash equivalents	20	14,096	634
Total current assets		45,121	4,212
TOTAL ASSETS		166,001	15,898
SHAREHOLDERS' EQUITY			
Equity and reserves attributable to the controlling company's shareholders			
Capital stock	27	495	495
Treasury shares	27	7	7
Restatement for capital stock and treasury stock	27	65	65
Additional paid in capital	27	659	659
Premium for trading treasury shares	27	16	13
Legal reserve	27	83	-
Other reserves	27	1,086	599
Retained earnings		(1,390)	119
Shareholders' equity attributable to the controlling company's shareholders		1,021	1,957
Non-controlling interest		14,211	2,559
TOTAL SHAREHOLDERS' EQUITY		15,232	4,516

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

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Consolidated Balance Sheets as of June 30, 2016 and 2015 (Continued)

(Amounts stated in millions of Argentine Pesos, unless otherwise stated)

	Note	<u>06.30.16</u>	<u>06.30.15</u>
LIABILITIES			
Non-current liabilities			
Trade and other accounts payable.....	21	1,528	264
Loans	23	93,808	5,833
Deferred tax liabilities	25	7,662	151
Derivative financial instruments	19	121	269
Salaries and social security charges		21	5
Provisions.....	22	1,341	387
Employee benefits	24	689	-
Total non-current liabilities		<u>105,170</u>	<u>6,909</u>
Current liabilities			
Trade and other accounts payable.....	21	18,443	1,307
Income tax and minimum presumed income tax payable.....		624	142
Salaries and social security charges		1,856	230
Loans	23	23,488	2,477
Derivative financial instruments	19	147	262
Provisions.....	22	1,041	55
Total current liabilities.....		<u>45,599</u>	<u>4,473</u>
TOTAL LIABILITIES		<u>150,769</u>	<u>11,382</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>166,001</u>	<u>15,898</u>

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

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Consolidated Income Statement For the Fiscal Years ended June 30, 2016, 2015 and 2014

(Amounts stated in millions of Argentine Pesos, unless otherwise stated)

	Note	06.30.16	06.30.15	06.30.14
Revenues	28	35,384	5,652	4,604
Costs	29	(26,090)	(4,770)	(3,913)
Initial recognition and changes in the reasonable value of biological assets and agricultural products at the point of harvest.....		1,660	1,324	1,152
Changes in the net realizable value of agricultural products after harvest		208	(34)	(17)
Gross Profit.....		11,162	2,172	1,826
Gain from disposal of investment properties	10	1,101	1,150	231
Gain from disposal of farmlands		(2)	550	91
General and administrative expenses	30	(2,244)	(618)	(534)
Selling expenses	30	(6,279)	(474)	(353)
Other operating results, net	32	8	12	(75)
Operating Profit		3,746	2,792	1,186
Share of profit / (loss) of associates and joint ventures	8 & 9	(169)	(436)	(410)
Profit before financial results and income tax		3,577	2,356	776
Financial income.....	33	1,984	241	288
Financial costs.....	33	(7,729)	(1,685)	(2,852)
Other financial results	33	(501)	147	(10)
Financial results, net.....	33	(6,246)	(1,297)	(2,574)
(Loss) / profit before income tax.....		(2,669)	1,059	(1,798)
Income tax.....	25	197	(303)	389
(Loss) / profit for the period		(2,472)	756	(1,409)
Attributable to:				
Controlling company's shareholders		(1,402)	114	(1,068)
Non-controlling interest.....		(1,070)	642	(341)
(Loss) / profit for the period per share attributable to controlling company's shareholders:				
Basic		(2.83)	0.23	(2.15)
Diluted	(i)	(2.83)	0.21	(i) (2.15)

(i) As a net loss was recorded, there is no diluting effect in this result.

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

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Consolidated Cash Flow Statements for the Fiscal Years ended June 30, 2016, 2015 and 2014 (Amounts stated in millions of Argentine Pesos, unless otherwise stated)

	Note	06.30.16	06.30.15	06.30.14
Operating activities:				
Cash provided by operating activities	20	4.866	924	1.163
Income tax paid		(811)	(430)	(280)
Net cash provided by operating activities		4.055	494	883
Investment activities:				
Cash inflow from business combination		9.193	-	-
Acquisition of interest in associates and joint ventures		-	(1.242)	(1.132)
Capital contributions in associates and joint ventures		(207)	(126)	(60)
Disposal of interest in associates and joint ventures		9	-	-
Acquisition of investment properties		(888)	(250)	(272)
Collections from disposal of associates and joint ventures		-	56	23
Collections from disposal of investment properties		1.394	2.447	402
Acquisition of property, plant and equipment		(1.145)	(221)	(133)
Collections from disposal of property, plant and equipment		3	12	1
Collections from disposal of farmlands		-	316	126
Payments for purchase of facilities		-	-	(6)
Acquisition of intangible assets		(137)	(10)	(15)
Acquisition of investments in financial instruments		(13.513)	(4.610)	(3.683)
Collections from disposal of investments in financial instruments		14.129	4.487	3.871
Loans granted to associates and joint ventures		(852)	-	(2)
Collections from loans granted to associates and joint ventures		80	10	2
Dividends collected		593	18	22
Advances to suppliers		(7)	(15)	(30)
Net cash provided by investment activities		8.652	872	(886)
Financing activities:				
Repurchase of notes		(209)	(305)	(163)
Repurchase of treasury shares		-	(33)	(98)
Issuance of notes		8.012	693	1.052
Issuance of trust bonds		-	-	15
Repayment of notes		(4.291)	(1.072)	(800)
Borrowings		7.187	1.498	793
Repayment of trust bonds		-	(10)	(5)
Repayment of loans received from acquisition of companies		-	(106)	-
Repayment of loans		(11.031)	(1.334)	(590)
Repayment of loans received from associates and joint ventures		(6)	-	(2)
Collection from the exercise of options granted		6	-	-
Loans received from associates and joint ventures		4	22	17
Repayment of Brasilagro warrants		-	-	(1)
Payment of financed purchases		(72)	(3)	(1)
Acquisition of non-controlling interest in subsidiaries		(1.192)	(32)	(1)
Dividends paid		(239)	(34)	(244)
Capital distributions to non-controlling interest in subsidiaries		(207)	(228)	(4)
Payment of derivative financial instruments		(620)	(233)	(38)
Collection of derivative financial instruments		2.093	2	62
Collection of claims		90	-	-
Contributions from non-controlling interest		1	16	139
Sale of interest in subsidiaries to non-controlling interest		86	182	-
Interest paid		(4.107)	(799)	(577)
Net cash provided by / (used in) financing activities		(4.495)	(1.776)	(446)
Net increase / (decrease) in cash and cash equivalents		8.212	(410)	(449)
Cash and cash equivalents at the beginning of the period	20	634	1.003	1.048
Income / (loss) from exchange differences of cash and cash equivalents		5.250	41	404
Cash and cash equivalent at the end of the period	20	14.096	634	1.003

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