Earnings Release

Fiscal Year 2017

September 8, 2017

CRESUD

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

Monday, September 11, 2017, at 10:00 a.m.
(Eastern 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:
1-412-717-9604 (International) or
1-844-308-3411 (Toll Free USA)
ID#CRESUD

In addition, you can access through the following webcast:

http://webcast.engage-x.com/Cover.aspx?PlatformId=zLxjXkW4UXiPyiv2J0I4kQ%3D%3D

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

PLAYBACK
Available until September 21, 2017
1-877-344-7529
1-412-317-0088
ID# 10111450

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Cresud S.A.C.I.F. y A. announces the results for Fiscal Year 2017, ended June 30, 2017

HIGHLIGHTS

- We decided to change the valuation method for the investment properties from historical cost to reasonable value, which was reflected in the company's financial statements as of the IVQ of FY17.
- Net result for FY17 registered a gain of ARS 5,028 million compared to a gain of ARS 8,537 million in 2016 mainly explained by lower results from changes in the fair value of investments properties compensated by the results coming from Adama sale and the increase in Clal share price added to the fact that we are consolidating 12 months of 2017 in the Israel Business Center of our subsidiary IRSA compared to 6 months of 2016.
- The 2017 campaign presented good climate conditions in the region, except in Bolivia where climate was adverse. We have planted 203,000 ha and developed 13,326 ha in the region.
- We have sold farms during the year for ARS 479 millones, registering a net gain of ARS 280 million.
- During the year, our subsidiary Brasilagro acquired a farm of 17,566 ha of crop activity in the state of Maranhão for R$ 100 million.
- Our urban properties and investments business observed good operating results in Argentina and Israel Business Center. EBITDA of the rental segments in Argentina increased by 27.8% in the compared year.
- During 2017, IDBD has issued notes in the Israeli market for NIS 1,060 million at a fixed rate of 5.40% due 2019 and in July 2017 has issued again notes for NIS 642.1 million at a fixed rate of 5.3% due 2022. Funds were destinated to refinance its short term debt.

Letter to Shareholders

Dear Shareholders,

We have ended a new fiscal year with very good results from both our agricultural business and our urban properties and investments business, through our subsidiary IRSA. On the one hand, we ended the crop season with increased output figures and higher production yields than in the previous season, mainly in Argentina, Brazil and Paraguay, and we made progress in the development of farmlands and sold rural properties in the region at satisfactory appreciation rates. On the other hand, our investment in IRSA, owner of the largest and most diversified real estate portfolio in Argentina, has continued to exhibit solid performance in its main business lines in its two operations centers: Argentina and Israel.

In the fourth quarter of 2017, we changed the valuation model of investment properties from cost model to fair value model, motivated by the need to adjust the valuation of these assets to their fair value, as their amortized cost was not reflective of their economic substance. The assets classified as Investment Properties mainly include shopping malls, offices, land reserves and rental properties of IDBD, owned by our urban subsidiary IRSA. As concerns the agricultural business, farms leased to third parties have been revalued, and own farms, classified as Property, Plant and Equipment, have been valued at historical cost.

Profit from operations for the fiscal year 2017, excluding the effect of changes in the fair value of investment properties, reached Ps. 4,924 million, 89% higher than in the previous fiscal year while net result of the period registered a gain of Ps. 5,028 million, from which a net loss of ARS 179 million comes from agribusiness and a gain of ARS 5,207 million comes from the Urban business.

The 2017 crop season was characterized by good weather in Argentina, Brazil and Paraguay, while in Bolivia weather conditions were rougher. We planted approximately 203,000 hectares in the entire region and reached an aggregate crop output of 612,000 tons (excluding sugarcane), much higher than the 483,000 tons reached in 2016. Yields of our main crops, soybean and corn, were 2.7 tons per hectare and 6.0 tons per hectare, respectively, higher than those reached in the previous crop season. This season was also positive for our cattle activities in Argentina. Better weather conditions in the northwestern region 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, reducing feeding costs, whereas livestock prices continued their upward trend all throughout the fiscal year. Our milking business, concentrated in our “El Tigre” dairy facility posted results similar to those for the previous year, thanks to the strategy consisting in the selective sale of milking cows whilst keeping the more productive herd.

As concerns our agricultural real estate business, during this fiscal year we were active in the purchase, development and sale of farms. Last February, our subsidiary Brasilagro acquired Establecimiento Sao José, located in the District of São Raimundo das Mangabeiras, State of Maranhão. Its surface area is 17,566 hectares, including 10,000 developed, productive hectares that will be used for agriculture. The purchase price was R$ 100.0 million (R$ 10,000 per productive hectare). In addition to the purchase agreement, the transaction included the lease of 15,000 hectares of arable, developed land mostly planted with sugarcane for 15 years, renewable for an additional 15-year term.

Regarding land development, during this year we transformed a larger surface area than in 2016 due to improved production conditions and lower development costs in USD per hectare. We transformed 13,326 hectares in the entire region: 2,172 hectares in Argentina, 9,601 hectares in Brazil, and 1,553 hectares in Paraguay. Regarding the farm in Paraguay, owned by CRESCA S.A., during this year its partners, Brasilagro and Carlos Casado, split up the company mainly due to differences in the growth and land development plans.

Concerning the sale of farmlands, while in 2016 we had not closed any transactions in light of the adverse effect on the farmland sale market in Argentina caused by the controls on capitals that prevailed until December 2015 and the industry's profitability equation, at the beginning of this year we saw a recovery in the farmland purchase and sale business motivated by the favorable policies implemented by the current administration, coupled with the partial amendment to the law on foreign ownership of land, which eased restrictions on foreign ownership percentages and simplified transaction registration proceedings.

In the first quarter of fiscal year 2017, 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 Ps. 13.5 million, and resulted in an internal rate of return in U.S. dollars of 4.1%. In the fourth quarter of this fiscal year, we sold the entire "Cuatro Vientos" farm located in the Department of Santa Cruz, Bolivia, comprising 2,658 hectares intended for sugarcane and agricultural production, for an amount of USD 14.23 million (USD 5,280 million per hectare). The transaction resulted in a gain of approximately USD 4.5 million, at an internal rate of return of 11.0% in terms of dollars. Moreover, our subsidiary Brasilagro made partial sales of two of its farms. In May past, it sold 1,360 hectares (including 918 productive hectares) of its "Araucaria" farm located in the District of Mineiros (GO) for R$17 million (R$ 18,535 per hectare). This fraction of land was recorded in the Company´s books at R$ 4.0 million, and its sale reached an internal rate of return of 16.8% in terms of Reais. In the fourth quarter of 2017, Brasilagro sold a new fraction of 271 hectares in Araucaria for R$ 12.9 million, and also sold a fraction of 625 hectares (including 500 productive hectares) in the Jatobá farm, located in Jaborandi, State of Bahia, Brazil, for R$ 10.1 million (R$ 20,180 per hectare). The latter fractions of land were valued in the Company's books at R$ 3.0 million and R$ 1.2 million, and resulted in internal rates of return of 20.4% and 16.7%, respectively, in terms of Reais.

After year-end, in July 2017, we executed a preliminary sale agreement for the entire "La Esmeralda" farm, comprising 9,352 hectares intended for agriculture and cattle raising, located in the Department of Nueve de Julio, Province of Santa Fe, Argentina, for USD 19 million (USD 2,031 per hectare). The gain will be recorded at the closing of the next fiscal year, as the execution of the title deed and surrender of possession are expected to occur in June 2018.

Concerning other investments in the agricultural business, Futuros y Opciones S.A. ("FyO"), in which we hold a 59.59% equity interest, recorded highly satisfactory results in both its crop and input businesses, reflecting the upturn in the commodity business, higher traded volumes and prices as compared to the previous year, and a strong increase in trading revenues. Therefore, its net income reached Ps. 51.0 million and it distributed dividends to its shareholders for approximately Ps. 16.8 million. In turn, Agrofy S.A., in which Cresud indirectly holds a 40.2% interest, continued to position itself as a leading online business platform in the farming industry during this year: it has managed to gather over 2,000 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 company was Ps. 133.0 million. We are optimistic that the industry will recover satisfactorily in the future, given the measures adopted by the new government, which point to increasing future cattle supply and promoting exports. Besides, we expect that the works currently underway, aimed at producing and exporting Kosher salted cuts to Israel, will significantly improve this business' profitability equation.

Our Urban Properties and Investments business, which we hold through our 63.7% interest in IRSA, has posted very good results in its two operations centers: Argentina and Israel. In Argentina, we made progress in the development of the projects underway and obtained very good operating results in our rental segments. Tenant sales in shopping malls grew 19.1% in the year, and occupancy reached optimum levels of 98.5%. In the office segment we reached an average rental price of approximately

USD 25 per square meter and an occupancy rate of 96.2%. In Israel, we sold assets for very attractive prices, we refinanced all of IDB's short-term debt, extending its maturity to 2019 at a very competitive interest rate, and IDB's operating subsidiaries keep posting sound operating performance figures, investing in new projects and distributing attractive dividends. We believe in the long-term value of our investment in IRSA, which we expect will continue to deliver outstanding business results.

As part of our business strategy, we contribute to improving living conditions in the communities in which we operate, driven by our mission to implement sustainable business practices. We interact with schools, community centers and NGOs all over the Argentine territory. We have focused our Corporate Social Responsibility 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, where we have six rural schools, many students are already attending distance learning courses and obtaining high school degrees via satellite Internet services.

Looking ahead to 2018, we expect to be able to secure the consents required for increasing the acreage under development, as we hold a very large surface of and reserves in the region suitable for agricultural and/or livestock production, while we will continue 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 this fiscal year in its two operations centers: Argentina and Israel. 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, 2017.

Change of Investment Properties' Valuation Model

During fiscal year 2017, Cresud's Board of Directors decided to change the valuation model of its investment properties (mainly farms leased to third parties, and shopping malls, offices, land reserves and rental properties of IDBD derived from our subsidiary IRSA Inversiones y Representaciones S.A.), from cost model to fair value model, in accordance with the International Financial Reporting Standards (IFRS). This change was motivated by the need to adjust the valuation of investment properties to their fair value, as their amortized cost was not reflective of their economic substance. The Company has recognized the effects of this change in its financial statements for the fourth quarter of this fiscal year (June 30, 2017). In order to determine the fair value of investment properties, the Company has engaged the services of an independent appraiser.

Changes in fair values are recognized in the income statement under the line item "Net gain from fair value adjustment on investment properties".

Investment Properties

Investment properties are those properties owned by the Group that are held either to earn long-term rental income or for capital appreciation and that are not occupied by the Group for its own operations. Investment property also includes properties that is being constructed or developed for future use as investment property. The Group also classifies land whose future use has not been determined yet as investment property. The Group's investment properties primarily comprise the Group's portfolio of shopping malls and office buildings, farms leased to third parties, certain property under development and other undeveloped land.

Valuation processes

The Group's investment properties were valued at year-end by independent professionally qualified valuers who hold a recognized relevant professional qualification and have experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

Each operations center includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes (the "review teams"). The review teams: i) verify all major and important assumptions relevant to the valuation included in the independent valuation report; ii) assess property valuation movements when compared to the prior year valuation report; and iii) hold discussions with the independent valuers.

Changes in Level 2 and 3 fair values, if any, are analyzed at each reporting date during the valuation discussions between the review teams and the independent appraiser. In the case of the operations center in Argentina, the Board of Directors ultimately approves the fair value calculations for recording into the financial statements. In the case of the operations center in Israel, valuations are examined by the Israeli Management and reported to the Balance Sheet Committee.

Valuation Techniques Used for the Estimation of Fair Value of Investment Properties:

Agricultural business

For all leased farms whose aggregate value was Ps. 304, Ps. 100 and Ps. 335 for the fiscal years ended June 30, 2017, 2016 and 2015, respectively, the valuation was determined using comparable values. The sale prices of comparable lands are adjusted taking into account the specific aspects of each land, with the price per hectare being the most relevant aspect.

Operations center in Argentina

For all shopping malls whose aggregate value was Ps. 28,561, Ps. 26,426 and Ps. 10,277 for the fiscal years ended June 30, 2017, 2016 and 2015, respectively, the valuation was determined using discounted cash flow (“DCF”) projections based on unobservable valuation assumptions.

For office properties, other rental properties and undeveloped land, whose aggregate value was Ps. 11,035, Ps. 8,688 and Ps. 8,695 as of June 30, 2017, 2016 and 2015, respectively, the valuation was determined using market comparable. These values are adjusted for differences in key attributes such as location, size of the property and quality of the interior design. The most significant contribution to this comparable market approach is the price per square meter.

Properties under construction were valued at Ps. 615 and Ps. 293 as of June 30, 2017 and 2016, respectively. As of June 30, 2015, there were no properties under construction. The valuation was based on cost for all the above mentioned periods. These properties under development comprise construction works in office buildings.

Operations center in Israel

For rental properties, whose aggregate value was Ps. 54,334 and Ps. 40,871 for the fiscal years ended June 30, 2017 and 2016, respectively, the valuation was determined using discounted cash flow (“DCF”) projections based on unobservable valuation assumptions.

For further information, see Note 10 to the Consolidated Financial Statements.

Consolidated Results

In ARS Million	FY17	FY16	YoY Var
Revenues	**77,918**	**34,232**	**127.6%**
Costs	(56,815)	(24,681)	130.2%
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	**2,176**	**1,639**	**32.8%**
Changes in the fair value of agricultural produce after harvest	(74)	208	-
Gross profit	**23,205**	**11,398**	**103.6%**
Gain from disposal of investment properties	5,001	17,539	(71.5%)
Gain from disposal of farmlands	**280**	**(2)**	**-**
General and administrative expenses	(4,257)	(2,150)	98.0%
Selling expenses	**(13,946)**	**(6,035)**	**131.1%**
Other operating results, net	(158)	(67)	135.8%
Management fees	**(200)**	**(534)**	**(62.5%)**
Profit from operations	9,925	20,149	(50.7%)
Share of profit / (loss) of associates and joint ventures	**172**	**(108)**	**-**
Profit before financial results and income tax	10,097	20,041	(49.6%)
Financial results, net	**(5,225)**	**(6,115)**	**(14.6%)**
Profit before income tax	4,872	13,926	(65.0%)
Income tax	**(2,862)**	**(5,833)**	**(50.9%)**
Profit for the year from continued operations	2,010	8,093	(75.2%)
Profit from discontinued operations after income tax	**3,018**	**444**	**579.7%**
Profit for the year	5,028	8,537	(41.1%)
Attributable to:			
Cresud's shareholders	**1,511**	**4,803**	**(68,5%)**
Non-controlling interest	**3,517**	**3,734**	**(5,8%)**

The Company's consolidated results reflect in all lines the material accounting impact of the consolidation of the Israeli holding IDB Development Corporation ("IDBD") (12 months in 2017 vs. 6 months in 2016) and the change in the valuation model of investment properties from cost model to fair value model.

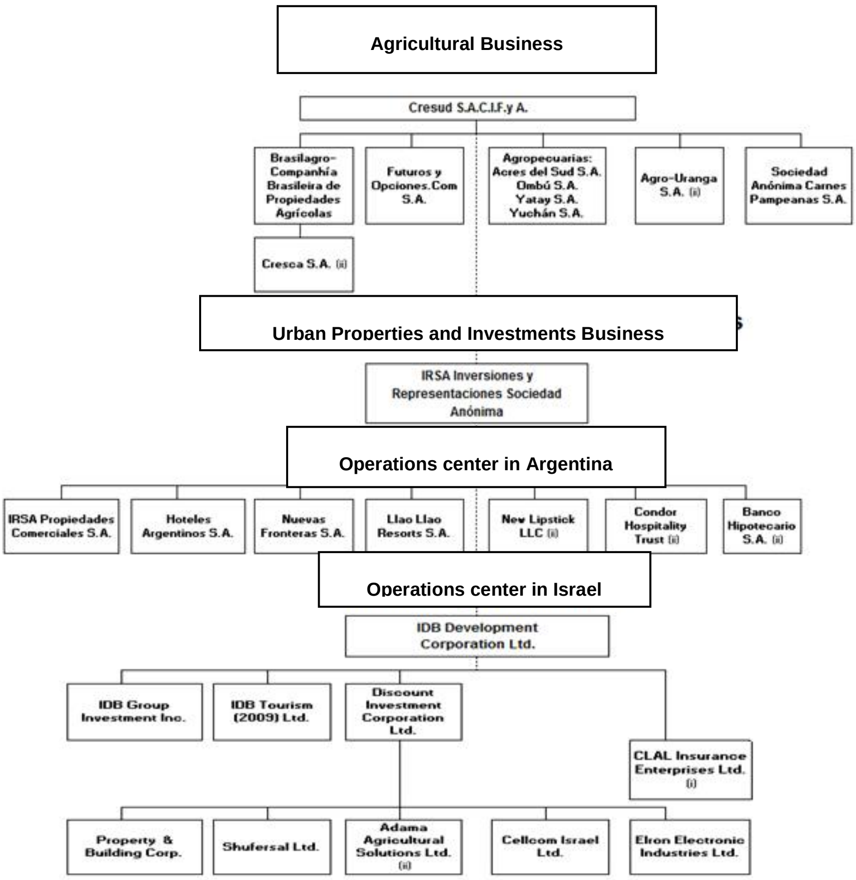
Profit from operations was ARS 9,925 million in fiscal year 2017, and profit for the year was ARS 5,028 million, compared to ARS 8,534 million in 2016. This was explained mainly by the following events:

- a decrease in gain from changes in the fair value of Investment Properties, which went down from ARS 17,539 million in 2016 to ARS 5,001 in 2017. The higher revaluation recorded in fiscal year 2016 was due to the elimination of foreign currency restrictions in December 2015 and lower discount rate applied to the valuations of our urban properties in the Operations Center in Argentina, offset by:
- Gain from the sale of the agrochemical company Adama, in the Operations Center in Israel by our subsidiary IRSA for ARS 4,200 million and the rise in the listing price of Clal Insurance company, recorded at fair value, which posted income of ARS 2,513 million in fiscal year 2017 vs. a loss of ARS 1,879 million in 2016.

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 statement of income. 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 Operations Centers in Argentina and Israel.

In the disclosure of income, we have decided to report our operations based on our main business lines: “Agricultural Business” and “Urban Properties and Investments Business” derived from our subsidiary IRSA, which is in turn subdivided into two operations 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 held for sale.
(ii) Corresponds to associates and joint ventures of the Group; therefore, they are not consolidated.

	Agri	FY2017 Urban Properties and Investments Business Argentina	Israel	Subtotal	Total	Var FY17 vs. FY16
Revenues	**3,919**	**4,311**	**68,422**	**72,733**	**76,652**	**130.4%**
Costs	(5,477)	(846)	(49,110)	(49,956)	(55,433)	133.6%
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	2,185	-	-	-	2,185	28.8%
Changes in the fair value of agricultural produce after harvest	(74)	-	-	-	(74)	-
Gross profit	**553**	**3,465**	**19,312**	**22,777**	**23,330**	**103.7%**
Gain from disposal of investment properties	-	-	-	-	-	-
Gain from disposal of farmlands	280	-	-	-	280	-
Changes in the fair value of investment properties	331	4,477	374	4,851	5,182	(71.1%)
General and administrative expenses	(364)	(773)	(3,135)	(3,908)	(4,272)	97.5%
Selling expenses	(509)	(355)	(13,093)	(13,448)	(13,957)	130.9%
Management fees	(10)	(118)	(72)	(190)	(200)	-62.8%
Other operating results, net	108	(67)	(196)	(263)	(155)	150.0%
Profit from operations	**389**	**6,629**	**3,190**	**9,819**	**10,208**	**-50.4%**
Share of profit / (loss) of associates	8	(95)	105	10	18	-
Segment profit	**397**	**6,534**	**3,295**	**9,829**	**10,226**	**(49.4%)**

		FY2016			
		Urban Properties and Investment Business			
	Agri	Argentina	Israel	Subtotal	Total
Revenues	**2,912**	**3,284**	**27,077**	**30,361**	**33,273**
Costs	(3,814)	(659)	(19,252)	(19,911)	(23,725)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	1,696	-	-	-	1,696
Changes in the fair value of agricultural produce after harvest	208	-	-	-	208
Gross profit	**1,002**	**2,625**	**7,825**	**10,450**	**11,452**
Gain from disposal of investment properties	-	-	-	-	-
Loss from disposal of farmlands	(2)	-	-	-	(2)
Changes in the fair value of investment properties	22	18,167	(271)	17,896	17,918
General and administrative expenses	(270)	(600)	(1,293)	(1,893)	(2,163)
Selling expenses	(338)	(264)	(5,442)	(5,706)	(6,044)
Management fees	(11)	(501)	(26)	(527)	(538)
Other operating results, net	(70)	40	(32)	8	(62)
Profit from operations	**333**	**19,467**	**761**	**20,228**	**20,561**
Share of profit / (loss) of associates	23	(515)	123	(392)	(369)
Segment profit	**356**	**18,952**	**884**	**19,836**	**20,192**

Our Portfolio

Our portfolio is composed of 296,022 hectares in operation and 468,481 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.

As concerns acquisitions, on February 7, 2017, Brasilagro – Companhia Brasileira de Propriedades Agrícolas, controlled by the Company, executed a purchase and lease agreement, including crop sharing provisions, in respect of a rural property located in the municipal district of São Raimundo das Mangabeiras, in the State of Maranhão.

The purchase agreement is for 17,566 hectares, 10,000 of which are developed and productive lands to be used for agriculture. The remaining 7,566 hectares are permanent preservation areas and land reserves protected by law. The purchase price was R$ 100.0 million (R$ 10,000 per productive hectare), and will be fully paid upon satisfaction by the sellers of certain conditions precedent.

The lease is for 15,000 hectares of arable, developed lands, mostly planted with sugarcane crops. The agreement's term is 15 years, renewable for 15 additional years.

Breakdown of Hectares

(Own and under Concession)

	Productive Lands		Land Reserves		
	Agricultural	***Cattle/Milk***	***Under Development***	***Reserved***	***Total***
Argentina (*) (**)	62,496	159,562	2,172	331,458	555,687
Brazil	41,422	14,258	9,601 (***)	74,170	139,451
Bolivia	8,8858	-	-	1,017	9,875
Paraguay	7,261	2,167	1,553	48,510	59,490
Total	120,036	175,986	13,326	455,155	764,503

(*) Includes Brazil, Paraguay, Agrouranga at 35.72% and 132,000 hectares under concession.
(**) Includes 85,000 hectares intended for sheep breeding.
(***) 3,564 hectares completed and 6,037 pending completion.

Leased (*)

	Agricultural	***Cattle/Milk***	***Other***	***Total***
Argentina	44,114(*)	12,635	-	56,749
Brazil	23,762	-	2,956	26,718
Total	67,876	12,635	2,956	83,467

(*) Does not include double crops.

The following table shows the sown surface area assigned to crop production, classified into own, under lease, under concession and leased to third parties for the fiscal years indicated below, measured in hectares:

	2014(1)(3)	2015(1)(3)	2016(1)(3)	2017(1)(3)
Own	122,632	128,795	112,112	102,683
Under lease	58,030	58,167	43,309	71,481
Under concession	20,986	21,547	23,196	22,454
Leased to third parties	7,616	3,267	2,365	7,663
Total	**209,264**	**211,776**	**180,982**	**204,280**

(1) Includes double crops, all farms in Argentina, Bolivia, Paraguay and Brazil, and Agrouranga (Subsidiary – 35.72%).

Our Portfolio's Fair Value

For financial reporting purposes, our portfolio of farms leased to third parties are classified as "Investment Properties" and recorded at fair value. As of June 30, 2017, the result from changes in the fair value of these properties was ARS 331 million and it was registered in the Farmland Development segment. However, the portfolio of owned farms are classified as "Property, Plant and Equipment" and are recorded at historical cost plus investments made. As of June 30, 2017, such amount was ARS 3,629 million.

Beginning in this fiscal year, we have decided to publish the fair value of own farms, and we have engaged Compañía Argentina de Tierras (“CAT”) as independent appraiser of our farms in Argentina and Bolivia, while our subsidiary BrasilAgro has engaged Deloitte Touche Tohmatsu to value its farms in Brazil and Paraguay,

As of June 30, 2017, the fair value of our owned farms consolidated at 100% was approximately USD 773 million. The proporcional part for Cresud was valued at USD 535 million.

	Total Surface Area (hectares)	*Valuation (USD MM)*	*CRESUD % interest*	*Valuation CRESUD interest*
Argentina	555,687	319.9	100%	319.9
Brazil	139,451	377.8	43.4%	164.0
Bolivia	9,875	31.9	100%	31.9
Paraguay	59,490	43.3	43.4%	18.8
Total	764,503	773.0		534.6

Segment Results

Agricultural Business:

I) Development, Transformation and Sale of Farmlands

While in fiscal year 2016 we had not closed any transactions in light of the adverse effect on the farmland sale market in Argentina caused by the controls on capitals that prevailed until December 2015 and the profitability equation of the industry, in fiscal year 2017 we sold farmlands for an amount of approximately Ps. 480 million. We sold six farms in the region: two partial farms in Brazil, three farms in Argentina and one farm in Bolivia. Net result from farmland sales reached ARS 280 million. This includes a balance of price of Cremaq farm in Brazil that was retained until an environmental license was given.

in ARS million	**FY2017**	**FY2016**	**YoY Var**
Revenues	**-**	**-**	
Costs	(11)	(9)	22.2%
Gross loss	(11)	(9)	22.2%
Gain from disposal of investment properties	-	-	-
Gain from disposal of farmlands	**280**	**22**	**1172.7%**
Changes in the fair value of investment properties	331	22	1404.5%
Profit from operations	**589**	**10**	**5790.0%**
Segment profit	**589**	**10**	**5790.0%**

Area under Development (hectares)	**Developed 2015/2016**	**Developed 2016/2017***
Argentina*	3,234	2,172
Brazil	3,638	9,601**

Paraguay	1,364	1,553
Total	**8,236**	**13,326**

* 2016/2017 Correspond to hectares under Phase II transformation

** 3,564 hectares completed and 6,037 hectares pending completion.

II) Agricultural Production

II.a) Crops and Sugarcane

The 2017 crop season was characterized by good weather in Argentina, Brazil and Paraguay, while in Bolivia weather conditions were rougher. We planted approximately 203,000 hectares in the entire region and reached an aggregate crop output of 548,409 tons (excluding sugarcane), much higher than the 426,263 tons reached in 2016. Yields of our main crops, soybean and corn, were 2.7 tons per hectare and 6.0 tons per hectare, respectively, higher than those reached in the previous crop season. This season was also positive for our cattle activities in Argentina.

Crops

in ARS million	IVQ2017	IVQ2016	YoY var	FY 2017	FY 2016	YoY var
Revenues	531	467	13.7%	1.401	1.152	21.6%
Costs	(908)	(637)	42.5%	(2.591)	(1.801)	43.9%
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	395	274	44.2%	1.438	1.059	35.8%
Changes in the fair value of agricultural produce after harvest	13	77	(83.1%)	(74)	208	-
Gross profit	**31**	**181**	**(82.9%)**	**174**	**618**	**(71.8%)**
General and administrative expenses	(8)	(12)	(33.3%)	(153)	(124)	23.4%
Selling expenses	(96)	(69)	39.1%	(329)	(216)	52.3%
Other operating results, net	5	(92)	-	108	(74)	-
(Loss) / profit from operations	**(68)**	**3**	**-**	**(200)**	**199**	**-**
Share of profit of associates and joint ventures	1	9	(88.9%)	12	26	(53.8%)
Segment (loss) / profit	**(67)**	**12**	**-**	**(188)**	**225**	**-**

Sugarcane

in ARS million	IVQ2017	IVQ2016	YoY var	FY2017	FY2016	YoY var
Revenues	**114**	**107**	**6.5%**	**355**	**294**	**20.7%**
Costs	(306)	(202)	51.5%	(688)	(517)	33.1%
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	170	124	37.1%	356	309	15.2%
Changes in the fair value of agricultural produce after harvest	-	-	-	-	-	-
Gross (loss) / profit	**(22)**	**29**	**-**	**23**	**86**	**(73.3%)**
General and administrative expenses	(19)	(12)	58.3%	(52)	(34)	52.9%
Selling expenses	(48)	(29)	65.5%	(9)	(8)	12.5%
Other operating results, net	6	(1)	-	(6)	4	-
Loss from operations	(9)	(27)	(66.7%)	(44)	47	-
Share of profit of associates and joint ventures	-	-	-	-	-	-
Segment loss	(2)	(31)	(93.5%)	(44)	47	-

Operations

Production

The following table shows, for the fiscal years indicated, our crop production volumes measured in tons:

Production Volume (1)	FY2017	FY2016
Corn	302,513	220,234
Soybean	203,526	179,916
Wheat	29,905	15,578
Sorghum	4,922	1,051
Sunflower	3,853	3,053
Other	3,690	6,432
Total Crops (tons)	**548,409**	**426,263**
Sugarcane (tons)	**1,062,860**	**877,396**

- Includes BrasilAgro, CRESCA at 50%, Acres del Sud, Ombú, Yatay and Yuchán. Agro-Uranga S.A. is not included.

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

	FY2017				
in tons	Argentina	Brazil	Bolivia	Paraguay	Total
Corn	253,163	35,376	9,410	4,563	302,513
Soybean	127,533	62,829	13,178	-13	203,526
Wheat	29,905	-	-	-	29,905
Sorghum	44	-	4,879	-	4,922
Sunflower	3,853	-	-	-	3,853
Other	3,690	-	-	-	3,690
Total Crops and Other	**418,187**	**98,205**	**27,467**	**4,550**	**548,409**
Sugarcane	**-**	**1,015,303**	**47,557**	**-**	**1,062,860**

	FY2016				
in tons	Argentina	Brazil	Bolivia	Paraguay	Total
Corn	189,708	19,982	3,574	6,969	220,234
Soybean	117,744	26,252	26,415	9,505	179,916
Wheat	15,525	-	53	-	15,578
Sorghum	56	-	697	298	1,051
Sunflower	3,053	-	-	-	3,053
Other	5,367	1,065	-	-	6,432
Total Crops and Other	**331,453**	**47,299**	**30,739**	**16,772**	**426,263**
Sugarcane	**-**	**1,075,183**	**153,648**	**-**	**1,228,830**

Sales

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

Volume of Sales	FY2017			FY2016		
	D.M. (1)	F.M. (2)	Total	D.M. (1)	F.M. (2)	Total
Corn	266.5	-	266.5	217.3	37.9	255.2
Soybean	137.8	28.8	166.6	182.5	15.8	198.3
Wheat	11.9	1.5	13.4	17.3	29.3	46.6
Sorghum	5.3	-	5.3	1.0	-	1.0
Sunflower	4.1	-	4.1	10.4	-	10.4
Other	3.6	-	3.6	5.9	-	5.9
Total Crops (tons)	**429.2**	**30.3**	**459.5**	**434.4**	**83.0**	**517.4**
Sugarcane (tons)	**554.1**	**-**	**554.1**	**1,219.7**	**-**	**1,219.7**

(1) Domestic Market

(2) Foreign Market

(3) Includes BrasilAgro, CRESCA at 50%, Acres del Sud, Ombú, Yatay and Yuchán. Agro-Uranga S.A. is not included.

- Profit from the Crops business decreased by Ps. 413 million, down from a profit of Ps. 225 million during FY 2016 to a loss of Ps. 188 million during FY 2017, mainly due to:

  - a decrease of Ps. 370 million mainly originated in Argentina as a result of the pullback in corn and soybean prices throughout the first half of 2017 after the peak recorded in late June 2016 due to the elimination/reduction of withholding taxes on agricultural exports, the strong devaluation of the peso vis-à-vis the dollar, and the current free exchange market;
  - a Ps. 174 million reduction in production income, mainly due to a decrease in margin per hectare because of higher costs and selling expenses, partially compensated by:
  - a gain coming from the result of derivatives of commodities

- The Sugarcane segment's profit decreased by ARS 91 million, down from a profit of Ps. 47 million in FY 2016 to a loss of Ps. 44 million in FY 2017, mainly due to:

  - the results obtained in Brazil, with a lower production explained by smaller yields. Moreover, production of sugarcane plantations was lower due to the sale of the "Cuatro Vientos" farm in Bolivia;

  - lower sales revenues net of commercial expenses for Ps. 29 million, due to the 25.7% reduction in volumes sold and higher selling costs, offset by a positive variation in the exchange rate.

II.b) Cattle and Dairy Production

As concerns our cattle and dairy production in Argentina, better weather conditions in the northwestern region 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, reducing feeding costs, whereas livestock prices continued their upward trend all throughout the fiscal year. Our milking business, concentrated in our “El Tigre” dairy facility, posted results similar to those for the previous year, thanks to the strategy consisting in the selective sale of milking cows whilst keeping the more productive herd.

Cattle

In ARS million	IVQ2017	IVQ2016	YoY var	FY2017	FY2016	YoY var
Revenues	18	25	(28.0%)	206	178	15.7%
Costs	(69)	(59)	16.9%	(382)	(267)	43.1%
Initial recognition and changes in the fair value of biological assets and agricultural produce	124	100	24.0%	304	254	19.7%
Changes in the fair value of agricultural produce after harvest	-	-	-	-	-	-
Gross profit	**73**	**66**	**10.6%**	**128**	**165**	**(22.4%)**
Profit / (loss) from operations	76	(58)	**-**	63	121	**(47.9%)**
Segment profit / (loss)	**76**	**(56)**	**-**	**63**	**121**	**(47.9%)**

Cattle (tons)	IVQ 2017	IVQ 2016	YoY var	FY 2017	FY 2016	YoY var
Beef production	1,277	1,925	(33.7%)	8,061	8,205	28.4%
Beef sales	1,100	1,400	(21.4%)	8,000	7,600	5.3%

- Profit from this segment decreased by Ps. 58 million, down from a profit of Ps. 121 million for FY 2016 to an income of Ps. 63 million for FY 2017. This was mainly due to lower holding results caused by a smaller variation in livestock prices than in FY 2016.
- The start of the activity in Brasil that generated a loss of ARS 11.6 million

Stock of Cattle Heads	FY2017	FY2016	FY2015
Breeding stock	69,669	58,747	52,052
Winter grazing stock	9,692	11,126	12,102
Total Stock (heads)	**79,361**	**69,873**	**64,154**

Dairy

in ARS million	IVQ2017	IVQ2016	YoY var	FY2017	FY2016	YoY var
Revenues	30	21	42.9%	97	65	49.2%
Costs	(45)	(41)	9.8%	(180)	(135)	33.3%
Initial recognition and changes in the fair value of biological assets and agricultural produce	-	-	-	-	-	-
Gross profit	**5**	**5**	**-**	**4**	**4**	**-**
Profit from operations	**10**	**8**	**25.0%**	**(6)**	**(4)**	**50.0%**
Segment profit	10	8	25.0%	(6)	(4)	50%

Milk Production	IVQ 2017	IVQ 2016	YoY var	FY 2017	FY 2016	YoY var
Milk Production (thousands of liters)	3,035	7,191	(57.8%)	13,968	16,273	(14.2%)
Milk Sales (liters)	2,900	4,900	(40.8%)	13,300	10,400	(8.2%)
Daily average milking cows (heads)	1,217	2,309	(47.3%)	1,472	1,951	(24.6%)
Milk Production / Milking Cow / Day (liters)	27.1	34.2	20.8%	24.68	21.82	13.1%

- Profit from this segment decreased by Ps. 2.5 million, from a loss of Ps. 4.6 million for FY 2016 to a loss of Ps. 7.1 million for fiscal year 2017, mainly due to lower production because of the selective sale of milking cows and higher costs.

II.c) Leases and Agricultural Services

in ARS million	IVQ2017	IVQ2016	YoY var	FY2017	FY2016	YoY var
Revenues	**95**	**34**	**179.4%**	**137**	**76**	**80.3%**
Costs	(21)	(6)	250.0%	(26)	(20)	30.0%
Gross profit	74	28	164.3%	111	56	98.2%
Profit from operations	(33)	(24)	37.5%	102	50	104.0%
Segment profit	**(32)**	**(24)**	**33.3%**	**102**	**50**	**104.0%**

Net profit from this segment increased 104% in fiscal year 2017 as compared to the previous fiscal year, mainly because of the increase of surface destinated to the service of seeds multiplication.

III) Other Segments

Under the “Others” segment we report the results from Leases and Agricultural Services and our investment in FyO.

- The “Others” segment recorded a loss of ARS 119 million in fiscal year 2017, mainly explained by losses of ARS 111 from our agroindustrial business developed in our meat packing plant in La Pampa, our corporate expenditures of ARS 32 million, offset by the results obtained by our subsidiary Futuros y Opciones (FyO). FyO, mainly engaged in crop trading and sale of inputs, recorded a profit of ARS 23 million, reflecting the improvement of the grain consignment business, the reactivation of the input business as producers had not invested in technology in the previous year, and higher invoiced amounts in the trading business, along with a more competitive exchange rate than in the previous year.

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 June 30, 2017, our equity interest in IRSA was 63.77% over stock capital (considering the treasury shares that were repurchased).

Following the consolidation of our subsidiary IDB Development Corporation in the second quarter of 2016, we decided to break down our operations into an Operations Center in Argentina and an Operations Center in Israel. From the Operations Center in Argentina, 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 Operations Center in Israel, 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, 2017:

Consolidated Results

in ARS Million	FY 17	FY 16	YoY Var
Revenues from sales, leases and services	74,172	31,523	135.3%
Net gain from fair value adjustment on investment properties	4,453	17,559	-74.6%
Profit from operations	9,550	20,441	-53.3%
Depreciation and amortization	4,716	2,085	126.2%
Adjusted EBITDA*	9,957	6,080	63.8%
Profit for the year	5,220	9,496	-45.0%
Attributable to equity holders of the parent	3,030	8,973	-66.0%
Attributable to non-controlling interest	2,190	523	319.0%

*EBITDA: Net gain from fair value adjustment on investment properties plus disposal of investment properties.

The Company's consolidated results reflect the material accounting impact of the consolidation of the Israeli holding IDB Development Corporation ("IDBD") (12 months in 2017 vs. 6 months in 2016) in all of its lines, and the change in the valuation model of investment properties from cost model to fair value model.

Adjusted EBITDA, which excludes net gain from fair value adjustment on investment properties and includes disposals of investment properties, reached ARS 9,957 million in fiscal year 2017, 63.8% higher than in 2016.

Operations Center in Argentina

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 malls 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 malls and 7 office buildings totaling 427,786 sqm of Gross Leaseable Area (341,289 in shopping malls and 86,497 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 28.5% of the voting rights in the Condor Hospitality Trust hotel REIT (NASDAQ: CDOR).

Shopping Malls' Segment

In fiscal year 2017, our tenants' sales reached ARS 34,426 million**,** 19.1% higher than in the same period of 2016, starting to stabilize after several periods of deceleration caused by the fall in consumption.

Our portfolio's leasable area increased by approximately 8,000 sqm as compared to 2016, mainly due to the completion of the second expansion stage at Distrito Arcos, where significant tenants such as Megatlon, Farmacity, Akiabara, Stock Center and Mishka were added; and the expansion of Soleil, adding Nike as its main tenant during the third quarter of this fiscal year.

The occupancy rate stood at very high levels, reaching 98.5%.

Shopping Malls' Financial Indicators

(in ARS million)

	FY17	FY16	YoY Var
Revenues	3,043	2,406	26.5%
Net gain from fair value adjustment on investment properties	2,068	16,132	-87.2%
Profit from operations	4,253	17,895	-76.2%
Depreciation and amortization	-12	-10	26.3%
Adjusted EBITDA [1]	**2,197**	**1,773**	**23.9%**

Shopping Malls' Operating Indicators

(in ARS million, except as indicated)

	FY17	FY16	FY15
Gross leasable area (sqm)	341,289	333,155	333,911
Occupancy	98.5%	98.4%	98.7%

Revenues from this segment grew 26.5% during this fiscal year, whereas EBITDA reached ARS 2,197 million, excluding the impact of the change in the fair value of investment property (+ 23.9% compared to the same period of 2016). The EBITDA margin, excluding income from common maintenance expenses and collective promotion fund, was 72.2%.

Office Segment

OFFICES	FY17	FY 16	YoY Var
Revenues	443	340	30.3%
Net gain from fair value adjustment on investment properties	1,354	1,304	3.8%
Profit from operations	1,701	1,585	7.3%
Depreciation and amortization	-6	-3	100.0%
Adjusted EBITDA	**353**	**284**	24.3%

During fiscal year 2017, revenues from offices increased 30.3% as compared to the same period of 2016, mainly due to the depreciation of the peso vis-à-vis the dollar. Adjusted EBITDA from this segment grew 24.3% in fiscal year 2017 compared to the same period of the previous year.

Gross leasable area was 87,919 sqm as of the closing of fiscal year 2017, higher than the one recorded in the same period of the previous fiscal year, mainly due to the acquisition of the Phillips building, adjoining Dot Baires shopping mall, which added 10,142 sqm in June 2017. This increase was partially offset by the partial sales of the Intercontinental Plaza building.

The office portfolio maintained an occupancy rate of 100% during the first three quarters of fiscal year 2017, while in the fourth quarter one floor of the República building and one floor in Suipacha 664 building were vacated, thus closing the year with an occupancy rate of 96.2%.

	FY 17	FY 16	FY 15
Leaseable area (sqm)	87,919	81,020	111,678
Total portfolio occupancy	96.2%	98.7%	98.1%
Rent ARS/sqm	419	358	226
Rent USD/sqm	25.3	24.0	24.9

On June 5, 2017, our subsidiary IRSA Propiedades Comerciales S.A. acquired the historic Phillips Building, adjoining the Dot Baires shopping mall, which faces Avenida General Paz, in the City of Buenos Aires. The building has 4 office floors and a total GLA of approximately 10,000 sqm and a remaining construction capacity over FOT of 18,000 sqm. IRSA CP is owner of 100% of the building, and has had possession of it since June 2017. Effective January 20, 2018 it will have tenancy rights over the building, as it has signed a loan-for-use agreement with the selling party for a term of 7 months.

Operations Center in Israel

As of June 30, 2017, the investment made in IDBD was USD 515 million, and IRSA's indirect equity interest reached 68.3% of IDBD's stock capital. Moreover, IRSA has invested USD 26.7 million in DIC, and IRSA's indirect equity interest reached 6.07% of DIC's stock capital.

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

- The "**Commercial Properties**" segment mainly includes the assets and profit from operations 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 profit from operations derived from the business related to the subsidiary Shufersal. Through Shufersal, the Group mainly operates a supermarket chain in Israel.
- The **"Telecommunications"** segment includes the assets and profit from operations 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 investment in 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. As stated in Note 14, the Group does not hold a controlling interest in Clal; therefore, it is not 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 profit from other miscellaneous businesses, such as technological developments, tourism, oil and gas assets, electronics, and other sundry activities.

Segment Results

The following table sets forth the results of our Operations Center in Israel for the consolidated 12-month period (4/1/16 through 3/31/17) vs. 6 months in 2016 (10/1/15 through 3/31/16). As different periods are being compared, no detailed explanation of the changes in results is included.

We will start providing an explanation of results as from the next quarter, when we will have comparative quarters.

Operations Center in Israel (NIS Million)

March 31, 2017 (for the period 04/01/16 through 03/31/17)

	Commercial properties	Supermarkets	Telecommunications	Insurance	Others	Total
Revenues from sales, leases and services	1,239	11,909	4,021	-	66	**17,235**
Costs	-588	-8,925	-2,817	-	-41	**-12,371**
Gross profit	651	2,984	1,204	-	25	**4,864**
Gain from disposal of investment properties	94	-	-	-	-	**94**
General and administrative expenses	-73	-158	-401	-	-158	**-790**
Selling expenses	-23	-2,397	-858	-	-20	**-3,298**
Other operating results, net	12	-13	-9	-	-39	**-49**
Profit / (loss) from operations	661	416	-64	-	-192	**821**
Share of profit of associates and joint ventures	12	19	-	-	-4	**27**
Segment profit / (loss)	673	434	-64	-	-196	**848**
Operating assets	16,655	8,077	6,639	1,795	4,363	**37,526**
Operating liabilities	13,441	6,131	5,249		7,730	**32,551**
Operating assets / (liabilities), net	**3,214**	**1,946**	**1,387**	**1,795**	**-3,367**	**4,975**

The revenues and profit from operations of the **Commercial Properties** segment through the subsidiary Property & Building ("PBC") reached NIS 1,239 million and NIS 636 million, respectively, (USD 355 million and USD 182 million, respectively) during the consolidated 12-month period (April 1, 2016 through March 31, 2017). The first half and the second quarter of 2017 were characterized by the stability of rental properties in Israel, in terms of demand, rental prices and occupancy rates. In the second quarter of 2017, demand for the office, commercial, industrial and logistics segments was good, as reflected by the stabilization of prices and sustained high occupancy rates of approximately 97%.

The **Supermarkets** segment, through Shufersal, recorded revenues of NIS 11,909 million (USD 3,410 million) for the 12-month period, Profit from operations of this segment reached NIS 416 million (USD 116 million). In 2017, Passover fell at the beginning of April, unlike 2016 when it had fallen in late April, affecting sales and the range of special offers. This impacted on revenues from the retail segment, which fell 2.5% in the second quarter of 2017 as compared to the same quarter of 2016, and 0.5% in the 6-month period under comparison. Revenues from the real estate segment fell 2.4% in the first 6 months of 2017, compared to the same period of 2016 mainly due to the higher vacancy rate of rental properties.

The **Telecommunications** segment, operated by Cellcom, recorded revenues of NIS 4,021 million (USD 1,151 million) in the 12-month period and an operating loss of NIS 64 million (USD 18 million). In the first half of 2017, there was a decrease in revenues from mobile telephone services as compared to the same period of 2016, mainly due to the continued erosion of prices and revenues from services in the fixed line segment, mainly reflecting lower revenues from international calls, partially offset by higher revenues from the television segment.

The **"Others"** segment recorded revenues for NIS 66 million (USD 19 million), and an operating loss of NIS 192 million (USD 55 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 1,795 million (USD 514 million) as of June 30, 2017.

Indebtedness

The following table contains a breakdown of our indebtedness as of June 30, 2017:

Agricultural Business

Description	Currency	Amount (1)	Interest Rate	Maturity
Bank overdrafts	ARS	2.7	Floating	< 30 days
Banco Ciudad Loan	USD	11.4	Libor180 days+300 bps; floor: 6%	18-Jan-22
Banco Ciudad Loan	USD	4.0	2.0%	18-Apr-18
Banco de la Pampa Loan	ARS	0.2	Floating [10.5% ; 14.5%]	3-Aug-17
Cresud 2018 NCN, Series XIV	USD	32.0	1.5%	22-May-18
Cresud 2018 NCN, Series XVI	USD	109.1	1.5%	19-Nov-18
Cresud 2019 NCN, Series XXII	USD	22.7	4.50%	12-Aug-19
Cresud 2019 NCN, Series XVIII	USD	33.7	4.0%	12-Sep-19
Banco de la Prov. Bs As Loan	USD	2.8	1.7%	4-Oct-17
Banco de la Prov. Bs As Loan	USD	5.0	2.1%	23-May-18
Banco de la Prov. Bs As Loan	USD	18.0	2.1%	23-Apr-18
Banco de la Prov. Bs As Loan	USD	5.0	2.3%	19-Jul-17
Banco de la Prov. Bs As Loan	USD	7.8	2.0%	18-Aug-17
Bolivia Loan	BOB	0.4	6.0%	20-Jun-16
Banco de la Pampa Short Term Loan	ARS	0.8	22.7%	01-Nov-21

ICBC Loan	USD	20.0	2.5%	09-Mar-18
Banco Santander Río Loan	USD	10.0	2.0%	23-Aug-17
Banco Santander Río Loan	USD	40.0	5.6%	30-Jun-21
Banco Galicia Loan	USD	12.0	1.3%	06-Dec-17
Banco Galicia Loan	USD	5.0	1.3%	27-Dec-17
Banco Itau Loan	USD	6.0	1.7%	06-Jul-17
Cresud's Total Debt		**348.6**		
Brasilagro's Total Debt		**7.9**		

Urban Properties and Investments Business

Operations center in Argentina

The following table contains a breakdown of our indebtedness as of June 30, 2017:

Description	Currency	Amount (USD MM) (1)	Interest Rate	Maturity
Bank overdrafts	$	2.8	Floating	< 180 d
IRSA NCN, Series VII	$	23.1	Badlar + 299	Sep-19
IRSA NCN, Series VIII	USD	184.5	7.0%	Sep-19
IRSA NCN, Series II	$	0.7	11.5%	Jul-20
ICBC Loan	USD	50.0	5.95%	Feb-22
ICBC Loan	ARS	7.5	21.20	May-18
Other loans	$	0.1	-	-
IRSA's Total Debt		**339.5**		
IRSA Cash&Eq+Investments (2)	USD	11.2		
Repurchased debt	USD	-		
IRSA's Net Debt	**USD**	**328.3**		
IRSA CP's Debt				
Bank overdrafts	ARS	2.4	Floating	< 360 d
CP Bank Loan	ARS	4.5	21.20%	May-18
Other Loans	ARS	0.1	-	-
Bank Overdrafts	ARS	2.4	Floating	< 360 d
IRSA CP's Total Debt		**367.0**		
IRSA CP Cash&Eq+Investments (3)	USD	179.7		
Repurchased debt	USD	-		
IRSA CP's Net Debt	**USD**	**187.3**		

(1) Principal amount in USD at an exchange rate of ARS 16.63/USD, without considering accrued interest or eliminations of balances with subsidiaries.
(2) "IRSA Cash & Cash Equivalents plus Investments" includes IRSA Cash & Cash Equivalents + IRSA Investments in current and non-current financial assets.
(3) "IRSA CP Cash & Cash Equivalents plus Investments" includes IRSA CP Cash & Cash Equivalents + IRSA CP Investments in current financial assets.

On September 8, 2016, IRSA issued Series VII and VIII Notes for an aggregate amount of USD 210 million:

a) Series VII Notes for a principal amount of 384.2 million at BADLAR + 299 bps due on September 9, 2019.

b) Series VIII Notes for a principal amount of USD 184.5 million at a fixed rate of 7% due on September 9, 2019.

The proceeds were mainly used to repay preexisting debt.

Operations Center in Israel

Financial debt as of March 31, 2017:

Indebtedness	Amount (1)
IDBD's Total Debt	852
DIC's Total Debt	1,126
Shufersal's Total Debt	673
Cellcom's Total Debt	1,132
PBC's Total Debt	3,154
Others' Total Debt (2)	113

(1) Principal amount in USD (million) at an exchange rate of 3.4929 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

October 2016: 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.

October 2016: General Ordinary and Extraordinary Shareholders' Meeting

On October 31, 2016, the Company's General Ordinary and Extraordinary Shareholders' Meeting was held, which resolved upon 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 accessorily to the D&O policies.
- Approval of special merger balance sheet of AGRO MANAGERS S.A.

- Distribution of treasury shares.

November 2016: Distribution of treasury shares

On November 3, 2016, Cresud's Board of Directors resolved to distribute ratably among the shareholders who were registered as such as of November 16, 2016, 3,833,352 treasury shares, equivalent to 0.00774216906 per share and 0.76415967% of the stock capital amounting to $501,642,804, and 0.774216906% of the stock capital net of treasury shares, effective November 17, 2016.

July 2017: Sale of "La Esmeralda" farm

On July 21, 2017, Cresud executed a preliminary sale agreement with an unrelated third party with respect to the entire "La Esmeralda" farm, comprising 9,352 hectares intended for agriculture and cattle raising, located in the Department of Nueve de Julio, province of Santa Fe, Argentina.

The total transaction amount was fixed at USD 19 million (USD 2,031 per hectare), out of which USD 4 million have already been paid, and the remaining balance of USD 15 million will be collected as follows: USD 3 million upon execution of the title deed and surrender of possession in June 2018, and the balance is secured by a mortgage on the property and is payable in 4 equal consecutive annual installments, ending in April 2022, accruing interest at a rate of 4% per annum over the outstanding balance.

The farm had been valued at approximately Ps. 19.5 million. The gain will be recorded in the fourth quarter of fiscal year 2018.

Prospects for Next Fiscal Year

The 2017 crop season developed under the “El Niño” pattern in Argentina, with above-average rainfall rates. For the 2018 crop season, we expect results to be in line with those observed in this year, with good production levels, average yields, and constrained costs. As concerns our cattle business, we keep focusing our production in our own farms, mainly in the northwestern region of Argentina, controlling costs and expecting livestock prices to keep on rising. 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.

As concerns sales and development of farmlands, we hope to obtain higher results from sales of farmlands during the next fiscal year. At the start of the fiscal year, we executed a preliminary sale agreement for the entire “La Esmeralda” farm, comprising 9,352 hectares intended for agriculture and cattle raising, located in the Department of Nueve de Julio, Province of Santa Fe, Argentina, for USD 19 million (USD 2,031 per hectare). The gain will be recorded at the closing of the next fiscal year, as the execution of the title deed and surrender of possession are expected to occur in June 2018.

In connection with our meat packing plant, which we hold through our interest in Carnes Pampeanas, we trust that we will be able to recover satisfactorily in the future, in light of the policies adopted by the new administration, which point to increasing future cattle supply and promoting exports. Besides, we expect that the works currently underway, aimed at producing and exporting Kosher salted cuts to Israel, will significantly improve this business’ profitability equation.

Looking ahead to 2018, we expect to be able to secure the consents required for increasing the acreage under development, as we hold a large surface of land reserves in the region suitable for agricultural and/or livestock production, while we will continue 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 this fiscal year in its two operations centers: Argentina and Israel.

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, 2017, 2016, 2015 and 2014

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

	Note	06.30.17	06.30.16 (adjusted)	06.30.15 (adjusted)	06.30.14 (adjusted)
ASSETS					
Non-current Assets					
Investment properties	10	100,189	82,505	19,306	16,081
Property, plant and equipment	11	31,150	26,801	2,213	2,510
Properties held for sale	12	4,534	4,733	143	134
Intangible assets	13	12,443	11,814	176	175
Biological assets	14	671	497	346	302
Investments in associates and joint ventures	8 and 9	8,227	17,175	3,812	2,704
Deferred tax assets	24	1,631	1,249	654	516
Income tax credits		229	173	161	177
Restricted assets	16	528	129	4	51
Trade and other receivables	17	5,456	3,773	427	475
Financial and other assets held for sale	16	6,225	3,346	-	-
Investments in financial assets	16	1,772	2,226	623	275
Derivative financial instruments	16	31	8	208	-
Employee benefits		-	4	-	-
Total Non-Current Assets		**173,086**	**154,433**	**28,073**	**23,400**
Current Assets					
Properties held for sale	12	1,249	241	3	5
Biological assets	14	559	552	180	266
Inventories	15	5,036	3,900	511	440
Restricted assets	16	541	748	607	-
Income tax credits		340	541	31	20
Financial and other assets held for sale	16	2,337	1,256	-	1,648
Pool of assets held for sale		2,681	-	-	-
Trade and other receivables	17	18,336	14,158	1,773	1,438
Investments in financial assets	16	11,853	9,673	504	495
Derivative financial instruments	16	65	53	30	33
Cash and cash equivalents	18	25,363	14,096	634	1,003
Total Current Assets		**68,360**	**45,218**	**4,273**	**5,348**
TOTAL ASSETS		**241,446**	**199,651**	**32,346**	**28,748**
SHAREHOLDERS' EQUITY					
Equity and reserves attributable to equity holders of the parent					
Capital stock	19	499	495	495	491
Treasury shares	19	3	7	7	11
Stock warrants	19	-	-	-	106
Comprehensive adjustment of capital stock and treasury shares	19	65	65	65	65
Additional paid-in capital	19	659	659	659	773
Premium for trading of treasury shares	19	20	16	13	
Statutory reserve	19	83	83	-	82
Other reserves	19	2,496	1,299	832	1,184
Special reserve	19	1,516	1,516	1,516	2,150
Retained earnings		11,064	9,521	4,825	2,436
Equity attributable to equity holders of the parent		**16,405**	**13,661**	**8,412**	**7,298**
Non-controlling interest		32,768	23,539	6,757	5,729
TOTAL SHAREHOLDERS' EQUITY		**49,173**	**37,200**	**15,169**	**13,027**

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

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Consolidated Balance Sheets

as of June 30, 2017, 2016, 2015 and 2014 (Contd.)

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

	Note	06.30.17	06.30.16 (adjusted)	06.30.15 (adjusted)	06.30.14 (adjusted)
LIABILITIES					
Non-current liabilities					
Trade and other accounts payable	20	3,988	2,464	666	485
Loans	22	112,025	93,808	5,833	5,315
Deferred tax liabilities	24	23,125	19,204	5,889	4,623
Derivative financial instruments	16	86	120	269	321
Salaries and social security charges		140	20	5	5
Provisions	21	955	547	42	43
Employee benefits	23	763	689	-	-
Total Non-Current Liabilities		**141,082**	**116,852**	**12,704**	**10,792**
Current Liabilities					
Trade and other payables	20	21,970	18,443	1,307	1,004
Income tax and minimum presumed income tax expense		817	624	142	73
Salaries and social security charges		2,254	1,856	230	202
Loans	22	23,287	23,488	2,477	2,639
Derivative financial instruments	16	114	147	262	53
Provisions	21	894	1,041	55	21
Liabilities held for sale and discontinued operations		1,855	-	-	937
Total Current Liabilities		**51,191**	**45,599**	**4,473**	**4,929**
TOTAL LIABILITIES		**192,273**	**162,451**	**17,177**	**15,721**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**241,446**	**199,651**	**32,346**	**28,748**

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

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Consolidated Income Statements

for the fiscal years ended June 30, 2017, 2016 and 2015

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

	Note	06.30.17	06.30.16 (adjusted)	06.30.15 (adjusted)
Revenues	26	77,918	34,232	5,652
Costs	27	(56,815)	(24,681)	(4,615)
Initial recognition and changes in the fair value of biological assets and agricultural produce at point of harvest		2,176	1,639	1,347
Changes in the fair value of agricultural produce after harvest		(74)	208	(34)
Gross profit		**23,205**	**11,398**	**2,350**
Net gain from fair value adjustment on investment properties		5,001	17,539	4,055
Gain from disposal of farmlands		280	(2)	550
General and administrative expenses	28	(4,257)	(2,150)	(607)
Selling expenses	28	(13,946)	(6,035)	(474)
Other operating results, net	29	(158)	(67)	17
Fees		(200)	(534)	(145)
Profit from operations		**9,925**	**20,149**	**5,746**
Share of profit / (loss) of associates and joint ventures	8 and 9	172	(108)	(227)
Profit before financial results and income tax		**10,097**	**20,041**	**5,519**
Financial income	30	1,199	1,482	246
Finance expenses	30	(9,492)	(7,448)	(1,685)
Other financial results	30	3,068	(149)	140
Financial results, net	30	(5,225)	(6,115)	(1,299)
Profit before income tax		**4,872**	**13,926**	**4,220**
Income tax	24	(2,862)	(5,833)	(1,396)
Profit for the year from continued operations		**2,010**	**8,093**	**2,824**
Profit from discontinued operations after income tax	36	3,018	444	-
Profit for the year		**5,028**	**8,537**	**2,824**
Profit from continued operations attributable to:				
Equity holders of the parent		718	4,670	1,318
Non-controlling interest		1,292	3,423	1,506
Profit for the year attributable to:				
Equity holders of the parent		1,511	4,803	1,318

Non-controlling interest	3,517	3,734	1,506
Profit for the year from continued operations attributable to equity holders of the parent per share:			
Basic	1.44	9.43	2.68
Diluted	1.43	9.31	2.38
Profit for the year attributable to equity holders of the parent per share:			
Basic	3.04	9.70	2.68
Diluted	3.02	9.57	2.38

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

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Consolidated Comprehensive Income Statements
for the fiscal years ended June 30, 2017, 2016 and 2015

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

	06.30.17	06.30.16 (adjusted)	06.30.15 (adjusted)
Profit for the year	5,028	8,537	2,824
Other comprehensive income / (loss):			
Items that may be subsequently reclassified as income or loss:			
Translation differences	4,733	5,259	(413)
Changes in the fair value of hedge instruments net of income tax	73	3	-
Items that may not be subsequently reclassified as income or loss:			
Actuarial loss from defined benefit plans	(10)	(29)	-
Other comprehensive income / (loss) from continued operations for the year	**4,796**	**5,233**	**(413)**
Other comprehensive income / (loss) from discontinued operations for the year	**560**	**(194)**	**-**
Other comprehensive income / (loss) for the year	**5,356**	**5,039**	**(413)**
Total comprehensive income for the year	**10,384**	**13,576**	**2,411**
Total comprehensive income from continued operations	6,806	13,326	2,411
Total comprehensive income from discontinued operations	3,578	250	-
Total comprehensive income for the year	**10,384**	**13,576**	**2,411**
Total comprehensive income from continued operations attributable to:			
Equity holders of the parent	322	5,114	1,144
Non-controlling interest	6,484	8,212	1,267
Total comprehensive income for the year attributable to:			
Attributable to:			
Equity holders of the parent	2,603	5,364	1,144
Non-controlling interest	7,781	8,212	1,267

The accompanying notes are 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, 2017, 2016 and 2015

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

	Note	06.30.17	06.30.16	06.30.15
Operating activities:				
Cash provided by operating activities	18	8,112	4,814	942
Income tax paid		(968)	(811)	(430)
Net cash provided by continued operating activities		**7,144**	**4,003**	**-**
Net cash provided by discontinued operating activities		**322**	**77**	**-**
Net cash provided by operating activities		**7,466**	**4,080**	**512**
Investing activities:				
Payment for acquisition of subsidiaries, net of cash acquired		(46)	-	-
Cash incorporated by business combinations		-	9,193	-
Acquisition of interest in associates and joint ventures		(169)	-	(1,242)
Capital contributions to associates and joint ventures		(193)	(207)	(126)
Proceeds of sale of interest in associates and joint ventures		-	9	56
Acquisition of investment properties		(2,854)	(888)	(250)
Disposal of investment properties		291	1,394	2,447
Acquisition of property, plant and equipment		(3,647)	(1,135)	(239)
Proceeds of sale of property, plant and equipment		9	3	12
Proceeds from disposal of farmlands		209	-	316
Acquisition of intangible assets		(507)	(134)	(10)
Acquisition of investments in financial instruments		(6,317)	(13,513)	(4,610)
Proceeds of sale of investments in financial instruments		6,789	14,129	4,487
Loans granted to associates and joint ventures		(3)	(852)	-
Loans granted to related parties		(4)	-	-
Collections of loans granted to associates and joint ventures		-	80	10
Dividends received		88	101	18
Suppliers' advances		(6)	(7)	(14)
Net cash (used in) / provided by continued investing activities		**(6,360)**	**8,173**	**-**
Net cash provided by discontinued investing activities		**3,943**	**454**	**-**
Net cash (used in) / provided by investing activities		**(2,417)**	**8,627**	**855**
Financing activities:				
Repurchase of notes		(546)	(209)	(305)
Repurchase of treasury shares		-	-	(33)
Equity issue		1,658	-	-
Issue of notes		19,959	8,012	693
Repayment of notes		(5,949)	(4,291)	(1,072)
Borrowings		9,057	7,187	1,498
Repayment of debt securities		-	-	(10)
Repayment of borrowings for acquisition of businesses		-	-	(106)
Repayment of borrowings		(15,656)	(10,951)	(1,334)

	Note			
Repayment of borrowings from associates and joint ventures		(10)	(6)	(2)
Exercise of warrants		-	-	1
Receipts from exercise of options granted		-	6	-
Borrowings from associates and joint ventures		-	4	22
Repayment of seller financing		-	(72)	(3)
Acquisition of non-controlling interest in subsidiaries		(731)	(1,192)	(32)
Dividends paid		(2,610)	(239)	(34)
Capital distribution to non-controlling interest in subsidiaries		(6)	(197)	(228)
Acquisition of derivative financial instruments		(79)	-	-
Payment of derivative financial instruments		(52)	(620)	(233)
Collection of derivative financial instruments		149	2,093	2
Receipts from claims		-	90	-
Contributions from non-controlling interest		202	1	16
Sale of interests in subsidiaries to non-controlling interest		3,503	86	182
Interest paid		(5,918)	(3,698)	(799)
Net cash provided by / (used in) continued financing activities		**2,971**	**(3,996)**	**-**
Net cash (used in) discontinued financing activities		**(839)**	**(499)**	**-**
Net cash provided by (used in) financing activities		**2,132**	**(4,495)**	**(1,777)**
Net increase in cash and cash equivalents from continued activities		**3,755**	**8,180**	**-**
Net increase in cash and cash equivalents from discontinued activities		**3,426**	**32**	**-**
Net increase in cash and cash equivalents		**7,181**	**8,212**	**(410)**
Cash and cash equivalents at beginning of the year	18	14,096	634	1,003
Cash and cash equivalents reclassified to held for sale		(157)	-	-
Foreign exchange gain on cash and cash equivalents		4,243	5,250	41
Cash and cash Equivalents at end of the year	18	**25,363**	**14,096**	**634**

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