



CRESUD

Earnings Release

IQ FY 2020



CRESUD invites you to participate in its first quarter of the Fiscal Year 2020 conference call

Tuesday, November 12, 2019, at 10:00 AM (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:

1-412-317-6377 (International) or

1-844-686-3840 (Toll Free USA)

54-11-39845677 (Argentina Dial-In)

ID#CRESUD

In addition, you can access through the following webcast:

<https://webcastlite.mziq.com/cover.html?webcastId=1c7d1324-260e-4a0f-bc3d-d80ff0941cac>

Preferably, 10 minutes before the call is due to begin.

The conference will be held in English.

PLAYBACK

Available until November 19, 2019

1-877-344-7529

1-412-317-0088

Access Code: 10136634

Contact Information

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Main Highlights

- Net result for the first quarter of fiscal year 2020 recorded a gain of ARS 6,942 million compared to a gain of ARS 5,377 million in the same quarter of fiscal year 2019 mainly explained by the result from the loss of control and deconsolidation of the company Gav- Yam in the Israel business center through IRSA.
- Net result attributable to the controlling shareholder registered a loss of ARS 2,335 million compared to a gain of ARS 919 million in the first quarter of 2019.
- Adjusted EBITDA for the period reached ARS 6,811 million, of which ARS 1,273 million come from the agricultural business due to higher productive results of sugarcane and cattle activity offset by lower results from farmland sales and ARS 5,538 million come from the urban properties and investments business (IRSA).
- A 2020 campaign with good weather conditions is projected in the region in which we expect to plant approximately 268,000 ha.
- Regarding farmland sales, our subsidiary Brasilagro has completed a partial sale of 1,134 hectares of its Jatobá farm (Jaborandi - Bahía) for an amount of BRL 22.7 million.
- On October 30, our Shareholders' Meeting has approved a distribution among its shareholders of 13,000,000 treasury shares, representing 2.6% of the share capital.

I. Brief comment on the Company's activities during the period, including references to significant events occurred after the end of the period.

Consolidated Results

<i>(In ARS million)</i>	IQ 20	IQ 19	YoY Var
Revenues	24,869	20,179	23.2%
Costs	-17,201	-13,680	25.7%
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	373	302	23.5%
Changes in the net realizable value of agricultural produce after harvest	388	324	19.8%
Gross profit	8,429	7,125	18.3%
Net gain from fair value adjustment on investment properties	8,865	9,912	-10.6%
Gain from disposal of farmlands	212	2	10,500.0%
General and administrative expenses	-2,376	-2,242	6.0%
Selling expenses	-2,947	-2,653	11.1%
Other operating results, net	227	1,206	-81.2%
Fees	-	-370	-100.0%
Profit from operations	12,410	12,980	-4.4%
Depreciation and Amortization	3,265	2,048	59.4%
EBITDA (unaudited)	15,675	15,028	4.3%
Adjusted EBITDA (unaudited)	6,810	6,328	7.6%
Profit from joint ventures and associates	175	186	-5.9%
Profit from operations before financing and taxation	12,585	13,166	-4.4%
Financial results, net	-18,750	-9,832	90.7%
(Loss) / Profit before income tax	-6,165	3,334	-284.9%
Income tax expense	-1,988	1,627	-222.2%
Result for the period from continued operations	-8,153	4,961	-264.3%
Result from discontinued operations after income tax	15,095	416	3,528.6%
Result for the period	6,942	5,377	29.1%
Attributable to			
Equity holder of the parent	-2,335	919	-354.1%
Non-controlling interest	9,277	4,458	108.1%

Consolidated revenues increased by 23.2% in the first quarter of fiscal year 2020 compared to the same period of 2019, while adjusted EBITDA reached ARS 6,810 million, 7.6% higher than in the same period of fiscal year 2019, of which ARS 1,273 million come from the agricultural business due to higher productive results of sugarcane and cattle activity offset by lower results from farmland sales and ARS 5,537 million come from the urban properties and investments business (IRSA).

The net result showed a loss of ARS 6,942 million for the first quarter of fiscal year 2020 compared to a gain of ARS 5,377 million the same period of fiscal year 2019, mainly explained by the result from the loss of control and deconsolidation of the company Gav- Yam in the Israel business center through IRSA. Net result attributable to the controlling shareholder registered a loss of ARS 2,235 million compared to a gain of ARS 919 million in the same quarter of FY2019.

Description of Operations by Segment

	3M 2020					Variation 3M 20 vs. 3M 19
	Urban Properties and Investments				Total	
	Agribusiness	Argentina	Israel	Subtotal		
Revenues	6,394	2,642	15,329	17,971	24,365	24.7%
Costs	-5,500	-544	-10,554	-11,098	-16,598	27.9%
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	340	-	-	-	340	26.9%
Changes in the net realizable value of agricultural produce after harvest	388	-	-	-	388	19.8%
Gross profit	1,622	2,098	4,775	6,873	8,495	18.7%
Net gain from fair value adjustment on investment properties	18	9,248	-	9,248	9,266	-16.7%
Gain from disposal of farmlands	212	-	-	-	212	10,500.0%
General and administrative expenses	-275	-473	-1,643	-2,116	-2,391	6.2%
Selling expenses	-563	-220	-2,175	-2,395	-2,958	11.3%
Other operating results, net	259	-56	-6	-62	197	-83.4%
Profit from operations	1,273	10,597	951	11,548	12,821	-12.0%
Share of profit of associates	81	253	-463	-210	-129	-66.1%
Segment Profit	1,354	10,850	488	11,338	12,692	-10.5%

	3M 2019				
	Urban Properties and Investments				Total
	Agribusiness	Argentina	Israel	Subtotal	
Revenues	3,903	2,765	12,875	15,640	19,543
Costs	-3,234	-559	-9,185	-9,744	-12,978
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	268	-	-	-	268
Changes in the net realizable value of agricultural produce after harvest	324	-	-	-	324
Gross profit	1,261	2,206	3,690	5,896	7,157
Net gain from fair value adjustment on investment properties	-11	11,138	-	11,138	11,127
Gain from disposal of farmlands	2	-	-	-	2
General and administrative expenses	-291	-470	-1,491	-1,961	-2,252
Selling expenses	-297	-258	-2,102	-2,360	-2,657
Other operating results, net	558	9	618	627	1,185
Profit from operations	1,222	12,625	715	13,340	14,562
Share of profit of associates	11	14	-405	-391	-380
Segment profit	1,233	12,639	310	12,949	14,182

Agricultural Business

Period Summary

The 2020 Campaign is beginning with good weather conditions in the region. A neutral “Niño” phenomenon with good water profile is expected again, so we expect a good level of crop production, average yields and controlled costs.

Regarding farmland sales, our subsidiary Brasilagro has completed in the first quarter of FY 2020 the sale of a fraction of 1,134 hectares of the “Jatobá” farm located in Jaborandi, State of Bahia, Brazil for an amount of BRL 22.7 million and subsequently, it has sold a small fraction of 85 hectares of its “Alto Taquari” farm, located in the State of Mato Grosso, for BRL 5.5 million.

Our Portfolio

Our portfolio under management is composed of 730,481 hectares, of which 289,538 are in operation and 440,943 are land reserves distributed among the four countries in the region where we operate: 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 mainly focused on the development of lands.

Breakdown of Hectares

Own and under Concession (*) (**) (***)

	Productive Lands		Land Reserves			Total
	Agricultural	Cattle	Under Development Phase 1	Under Development Phase 2	Reserved ⁽¹⁾	
Argentina	64,780	147,657	9,170	2,946	312,040	536,593
Brazil	42,615	10,657	200	4,442	66,608	124,523
Bolivia	8,858	-	-	-	1,017	9,875
Paraguay	11,907	3,064	3,000	-	41,519	59,490
Total	128,160	161,379	12,370	7,388	421,184	730,481

⁽¹⁾ Includes Brazil, Paraguay, Agro-Uranga S.A. at 35.723% and 132,000 hectares under Concession.

⁽²⁾ Includes 85,000 hectares intended for sheep breeding

⁽³⁾ Excludes double crops.

⁽⁴⁾ Argentina includes 5,823 hectares in Phase 1 that will not progress to Phase 2, staying as a reserve.

Leased (*)

	Agricultural	Cattle	Other	Total
Argentina	59,535	12,635	450	72,620
Brazil	51,000	-	731	51,731
Bolivia	1,017	-	-	1,017
Total	111,552	12,635	1,181	125,368

⁽¹⁾ Excludes double crops.

Segment Income – Agricultural Business

I) Land Development, Transformation and Sales

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

In the first quarter of fiscal year 2020 Brasilagro completed the sale of a fraction of 1,134 hectares of the “Jatobá” farm located in Jaborandi, State of Bahia, Brazil for an amount of BRL 22.7 million (BRL / ha 20,018). The farm was valued in books at BRL 1.7 million and the internal rate of return in dollars reached 7.0%. After the end of the quarter, in October 2019, it has sold a small fraction of 85 hectares of its “Alto Taquari” farm, located in the State of Mato Grosso, for BRL 5.5 million. The farm was valued in the books at BRL 1.2 million and the internal rate of return in dollars was 13.0%.

in ARS million	IQ 20	IQ 19	Var a/a
Revenues	-	-	-
Costs	-5	-6	-16.7%
Gross loss	-5	-6	-16.7%
Net gain from fair value adjustment on investment properties	18	-11	-
Gain from disposal of farmlands	212	2	10,500.0%
General and administrative expenses	-1	-	-
Other operating results, net	95	308	-69.2%
Profit from operations	319	293	8.9%
Segment profit	319	293	8.9%
EBITDA	320	296	8.1%
Adjusted EBITDA	302	1,519	-80.1%

Area under Development (hectares)	Projected for 2019/2020
Argentina	2,946
Brasil	4,442
Paraguay	-
Total	7,388

During this campaign, we expect to transform 7,388 in the region: 2,946 hectares in Argentina and 4,442 hectares in Brazil.

II) Agricultural Production

The result of the Farming segment increased by ARS 92 million, from ARS 730 million gain during the three-month period of fiscal year 2019 to ARS 822 million gain during the same period of 2020.

in ARS million	IQ 20	IQ 19	Var a/a
Revenues	4,527	2,234	102.6%
Costs	-3,972	-1,955	103.2%
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	331	271	22.1%
Changes in the net realizable value of agricultural produce after harvest	388	324	19.8%
Gross profit	1,274	874	45.8%
General and administrative expenses	-182	-194	-6.2%
Selling expenses	-409	-169	142.0%
Other operating results, net	126	213	-40.8%
Profit from operations	809	724	11.7%
Profit from associates	13	6	116.7%
Segment profit	822	730	12.6%
EBITDA	1,086	860	26.3%
Adjusted EBITDA	1,086	860	26.3%

II.a) Crops and Sugarcane

Crops

in ARS million	IQ 20	IQ 19	Var a/a
Revenues	2,880	1,178	144.5%
Costs	-2,410	-1,017	137.0%
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	-102	47	-
Changes in the net realizable value of agricultural produce after harvest	388	324	19.8%
Gross profit	756	532	42.1%
General and administrative expenses	-89	-98	-9.2%
Selling expenses	-374	-149	151.0%
Other operating results, net	121	217	-44.2%
Profit from operations	414	502	-17.5%
Share of loss of associates	13	6	116.7%
Segment profit	427	508	-15.9%

Sugarcane

in ARS million	IQ 20	IQ 19	Var a/a
Revenues	1,274	913	39.5%
Costs	-1,254	-825	52.0%
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	500	336	48.8%
Gross profit	520	424	22.6%
General and administrative expenses	-57	-58	-1.7%
Selling expenses	-11	-6	83.3%
Other operating results, net	3	-2	-
Profit from operations	455	358	27.1%
Segment profit	455	358	27.1%

Operations

Production Volume ⁽¹⁾	3M20	3M19	3M18	3M17	3M16
Corn	285,831	103,688	240,927	223,377	165,041
Soybean	1,270	-686	4,842	-	256
Wheat	-164	77	208	-	58
Sorghum	3,229	1,048	606	298	298
Sunflower	-1	-	-	-	-
Cotton	3,237	-	-	-	-
Others	198	1,790	718	816	2,959
Total Crops (tons)	293,600	105,917	247,301	224,491	168,612
Sugarcane (tons)	1,168,915	957,663	907,075	441,851	556,485

(1) Includes Brasilagro, Acres del Sud, Ombú, Yatay and Yuchán. Excludes Agro-Uranga.

Volume of Sales ⁽¹⁾	3M20			3M19			3M18			3M17			3M16		
	D.M	F.M	Total	D.M	F.M	Total	D.M	F.M	Total	D.M	F.M	Total	D.M	F.M	Total
Corn	152.5	18.1	170.6	65.3	-	65.3	134.4	-	134.4	121.8	-	121.8	62.6	23.6	86.2
Soybean	67.5	38.4	105.9	14.3	29.2	43.5	21.1	5.8	26.9	29.8	-	29.8	41.3	8.6	49.9
Wheat	1.5	-	1.5	4.4	-	4.4	6.4	-	6.4	0.4	0.1	0.5	5.1	28.9	34.0
Sorghum	-	-	-	-	-	-	-	-	-	0.1	-	0.1	0.1	-	0.1
Sunflower	4.3	-	4.3	2.0	-	2.0	0.4	-	0.4	0.7	-	0.7	0.6	-	0.6
Others	0.3	-	0.3	-	-	-	0.6	-	0.6	1.5	-	1.5	1.1	-	1.1
Total Crops (thousands of tons)	226.1	56.5	282.6	86.0	29.2	115.2	162.9	5.8	168.7	154.3	0.1	154.4	110.8	61.1	171.9
Sugarcane (thousands of tons)	1,056.6	-	1,056.6	890.9	-	890.9	895.1	-	895.1	441.9	-	441.9	554.0	-	554.0

D.M.: Domestic market

F.M.: Foreign market

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

The result of the Grains activity decreased ARS 81 million, from ARS 508 million gain during the three-month period of 2019 to ARS 427 million gain during the same period of 2020, mainly as a result of:

- A negative variation in the production result of ARS 151 million originated mainly in Argentina due to lower prices and exchange rates than expected for the 18-19 campaign. Brazil also incurred in higher soybean production costs. And finally, in Bolivia mainly due to a lower degree of progress, prices and hectares of winter soybean for the current year.
- The effects mentioned above were partially offset by a positive variation in the holding result of ARS 66.4 million, mainly originated in Argentina because of better prices in fiscal year 2020 due to the effect of August devaluation and additionally because of higher grain stock from 18-19 campaign.

The result of the Sugarcane activity increased ARS 97 million, from a ARS 358 million gain in the first quarter of 2019 to ARS 455 million gain in the same period of 2020. This is mainly due to a higher profit in Brazil as a result of an increase in productive result due to better yields, higher total sugar obtained and better prices.

Area in Operation (hectares) ⁽¹⁾	As of 09/30/19	As of 09/30/18	YoY Var
Own farms	103,580	97,268	6.5%
Leased farms	138,969	137,868	0.8%
Farms under concession	25,609	21,801	17.5%
Own farms leased to third parties	13,786	14,128	-2.4%
Total Area Assigned to Production	281,945	271,066	4.0%

(1) Includes AgroUrunga, Brazil and Paraguay,

The area in operation assigned to the crops and sugarcane activity increased by 4.0% as compared to the same period of the previous fiscal year.

II.b) Cattle Production

Production Volume ⁽¹⁾	3M20	3M19	3M18	3M17	3M16
Cattle herd (tons)	2,211	2,338	2,010	1,918	1,546
Milking cows (tons)	-	-	133	174	135
Cattle (tons)	2,111	2,338	2,143	2,093	1,681

(1) Includes Carnes Pampeanas

Volume of Sales ⁽¹⁾	3M20			3M19			3M18			3M17			3M16		
	D.M	F.M	Total	D.M	F.M	Total	D.M	F.M	Total	D.M	F.M	Total	D.M	F.M	Total
Cattle herd	4.7	-	4.7	1.7	-	1.7	2.3	-	2.3	2.1	-	2.1	3.1	-	3.1
Milking cows ⁽²⁾	-	-	-	-	-	-	0.1	-	0.1	0.2	-	0.2	0.2	-	0.2
Cattle (thousands of tons)	4.7	-	4.7	1.7	-	1.7	2.4	-	2.4	2.3	-	2.3	3.3	-	3.3

D.M.: Domestic market

F.M.: Foreign market

(1) Includes Carnes Pampeanas

(2) Milk was discontinued on IIQ 2018

Cattle

In ARS Million	IQ 20	IQ 19	YoY Var
Revenues	326	112	191.1%
Costs	-285	-95	200.0%
Initial recognition and changes in the fair value of biological assets and agricultural produce	-67	-112	-40.2%
Gross loss	-26	-95	-72.6%
General and administrative expenses	-20	-21	-4.8%
Selling expenses	-22	-12	83.3%
Other operating results, net	2	-2	-
Loss from operations	-66	-130	-49.2%
Segment loss	-66	-130	-49.2%

Area in operation – Cattle (hectares) ⁽¹⁾	As of 09/30/19	As of 09/30/18	YoY Var
Own farms	72,061	79,071	-8.9%
Leased farms	12,635	14,135	-10.6%
Farms under concession	2,993	2,703	10.7%
Own farms leased to third parties	1,775	1,325	34.0%
Total Area Assigned to Cattle Production	89,464	97,234	-8.0%

(1) Includes AgroUrunga, Brazil and Paraguay,

Stock of Cattle Heard	As of 09/30/19	As of 09/30/18	YoY Var
Breeding stock	77,301	84,183	-8.2%
Winter grazing stock	13,238	9,116	45.2%
Milk farm stock	-	2	-100%
Sheep stock	11,138	10,842	2.7%
Total Stock (heads)	101,677	104,143	2.4%

The result of the Cattle activity increased by ARS 64 million: from a loss of ARS 130 million during the first quarter of fiscal year 2019 to a loss of ARS 66 million in the same period of 2020, as a result of a positive variation in the holding result of live cattle, because prices for this fiscal year raised at the same pace than inflation while, in the previous year they could not reach it. Likewise, during the first quarter of 2020 there was a greater gain in sales results, due to an increase in commercialized cattle heads because of the reduction of hectares dedicated to cattle activity that will be used for agriculture. There was also a lower loss in the production result due to better prices.

II.c) Agricultural Rental and Services

in ARS million	IQ 20	IQ 19	YoY Var
Revenues	47	31	51.6%
Costs	-23	-18	27.8%
Gross profit	24	13	84.6%
General and Administrative expenses	-16	-17	-5.9%
Selling expenses	-2	-2	-
Other operating results, net	-	-	-
Profit / (loss) from operations	6	-6	-
Segment profit / (loss)	6	-6	-

The result of the activity increased ARS 12 million, from a ARS 6 million loss in the first quarter of 2019 to a ARS 6 million gain in the same period of 2020. This is mainly due to a higher profit from leases in Brazil.

III) Other Segments

We include within "Others" the results coming from our Agroindustrial activity, developed in our meatpacking facility in La Pampa and our investment in FyO.

The result of the segment increased by ARS 9 million, going from an ARS 259 million gain for the first quarter of fiscal year 2019 to a gain of ARS 250 million for the same period of 2020. This is due to a lower profit from FyO grain trading operations due to the fact that in this year lower margins were obtained in the collection positions, although offset by the financial results generated by the effect of exchange rate variations and rates in these positions that are not captured at the level of the operating result. Likewise, this trend in the operating result was partially offset by the best results of the commissions of brokerage of grains, product of the greater volumes transacted. This decrease is partially offset by a positive variation in associates results from Agrofy S.A. and a higher gain from the meatpacking facility as a result of the growth of external market sales over total sales (20% in IQ 19 vs. 37% in IQ 20) along with the positive impact of the exchange rate depreciation, additionally local market sales decreased but their prices remained slightly above inflation.

In ARS million	IQ 20	IQ 19	YoY Var
Revenues	1,867	1,669	11.9%
Costs	-1,523	-1,273	19.6%
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	9	-3	-
Gross profit	353	393	-10.2%
General and administrative expenses	-55	-48	14.6%
Selling expenses	-154	-128	20.3%
Other operating results, net	38	37	2.7%
Profit from operations	182	254	-28.3%
Profit from associates	68	5	1260.0%
Segment Profit	250	259	-3.5%
EBITDA	195	268	-27.2%
Adjusted EBITDA	195	268	-27.2%

IV) Corporate Segment

The negative result of the segment increased by ARS 12 million, going from a loss of ARS 49 million in the first quarter of 2019 to a loss of ARS 37 million for the same period of 2020.

In ARS million	IQ 20	IQ 19	YoY Var
General and administrative expenses	-37	-49	-24,5%
Loss from operations	-37	-49	-24,5%
Segment Loss	-37	-49	-24,5%
EBITDA	-37	-49	-24,5%
Adjusted EBITDA	-37	-49	-24,5%

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

We develop our Urban Properties and Investments segment through our subsidiary IRSA. As of September 30, 2019, our direct and indirect equity interest in IRSA was 62.4% over stock capital.

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

Consolidated Results – Information by Segment

In ARS million	IQ 20	IQ 19	YoY Var
Revenues	18,604	16,376	13.6%
Profit from operations	11,134	12,127	-8.2%
EBITDA	14,385	13,362	7.7%
Adjusted EBITDA	5,538	3,439	61.0%
Segment Result	11,338	12,949	-12.4%

Consolidated revenues from sales, rentals and services increased by 13.6% in the first quarter of fiscal year 2020 compared to the same period in 2019, while adjusted EBITDA, which excludes the effect of the result from changes in the unrealized fair value of investment properties reached ARS 5,538 million, 61.0% higher than the same period of fiscal year 2019.

Argentina Business Center

In ARS million	IQ 20	IQ 19	YoY Var
Revenues	3,275	3,501	-6.5%
Profit from operations	10,182	11,412	-10.8%
EBITDA	11,848	9,528	24.3%
Adjusted EBITDA	3,001	-395	-

Israel Business Center

In ARS million	IQ 20	IQ 19	YoY Var
Revenues	15,329	12,875	19.1%
Profit from operations	951	715	33.1%
EBITDA	2,537	3,834	-33.8%
Adjusted EBITDA	2,537	3,834	-33.8%

Financial Indebtedness and Other

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

Agricultural Business

Description	Currency	Amount ⁽²⁾	Interest Rate	Maturity
Bank overdrafts	ARS	37.1	Variable	< 30 days
Cresud 2020 NCN, Series XXIV	USD	73.6	9.00%	16-Nov-20
Cresud 2020 NCN, Series XXV	USD	59.6	9.00%	16-Nov-20
Cresud 2023 NCN, Series XXIII ⁽¹⁾	USD	113.0	6.50%	16-Feb-23
Other debt	USD	168.8	-	-
CRESUD's Total Debt ⁽³⁾		452.1		
Cash and cash equivalents ⁽³⁾		8.1		
Total Net Debt		444.0		
Brasilagro's Total Net Debt		33.0		

(1) Net of repurchases

(2) Principal amount stated in USD (million) at an exchange rate of 57.59 ARS/USD and 4.187 BRL/USD, without considering accrued interest or elimination of balances with subsidiaries.

(3) CRESUD stand-alone.

Urban Properties and Investments Business

Operations Center in Argentina

The following table describes our total debt as of September 30, 2019:

Description	Currency	Amount ⁽¹⁾	Interest Rate	Maturity
Bank overdrafts	ARS	10.2	Floating	< 360 days
Series II Non-Convertible Notes (USD)	USD	71.4	11.50%	Jul-20
Series II Non-Convertible Notes (CLP)	CLP	44.2	10.50%	Aug-20
Series I Non-Convertible Notes	USD	181.5	10.00%	Nov-20
Loan with IRSA CP	USD	28.5	-	Nov-22
Other debt	USD	29.4	-	Feb-22
IRSA's Total Debt		365.2		
Cash & Cash Equivalents + Investments ⁽³⁾	USD	0.6		
IRSA's Net Debt	USD	364.5		
Bank overdrafts	ARS	17.3	-	< 360 d
PAMSA loan	USD	35.0	Fixed	Feb-23
IRCP NCN Class IV ⁽²⁾	USD	137.7	5.0%	Sep-20
IRSA CP NCN Class II	USD	360.0	8.75%	Mar-23
IRSA CP's Total Debt		550.0		
Cash & Cash Equivalents + Investments ⁽³⁾		203.3		
Consolidated Net Debt		346.7		

(1) Principal amount in USD (million) at an exchange rate of Ps. 57.59 ARS /USD, without considering accrued interest or eliminations of balances with subsidiaries.

(2) Net of repurchase.

(3) "Cash & Cash Equivalents plus Investments" includes Cash & Cash Equivalents and Investments in Current Financial Assets.

Israel Business Center

Financial debt as of June 30, 2019:

Indebtedness ⁽¹⁾	Net (NIS million)
IDBD's Total Debt	2,173
DIC's Total Debt	2,661

(1) Cash in IDB includes NIS 430 million as a collateral of Clal swap transaction

Comparative Summary Consolidated Balance Sheet Data

In ARS million	Sep-19	Jun-19
Current assets	178,473	172,237
Non-current assets	382,356	399,402
Total assets	560,829	571,639
Current liabilities	120,118	100,828
Non-current liabilities	355,764	370,659
Total liabilities	475,882	471,487
Total capital and reserves attributable to the shareholders of the controlling company	16,564	18,928
Minority interests	68,383	81,224
Shareholders' equity	84,947	100,152
Total liabilities plus minority interests plus shareholders' equity	560,829	571,639

Comparative Summary Consolidated Statement of Income Data

In ARS million	Sep-19	Sep-18
Gross profit	8,429	7,125
Profit from operations	12,410	12,980
Share of profit of associates and joint ventures	175	186
Profit from operations before financing and taxation	12,585	13,166
Financial results, net	-18,750	-9,832
(Loss) / Profit before income tax	-6,165	3,334
Income tax expense	-1,988	1,627
(Loss) / Profit of the period of continuous operations	-8,153	4,961
Profit of discontinued operations after taxes	15,095	416
Profit for the period	6,942	5,377
Controlling company's shareholders	-2,335	919
Non-controlling interest	9,277	4,458

Comparative Summary Consolidated Statement of Cash Flow Data

In ARS million	Sep-19	Sep-18
Net cash generated by operating activities	8,704	3,273
Net cash generated by investment activities	2,386	1,302
Net cash generated by financing activities	-26,300	12,291
Total net cash generated during the fiscal period	-15,210	16,866

Ratios

In ARS million	Sep-19	Sep-18
Liquidity ⁽¹⁾	1.486	1.708
Solvency ⁽²⁾	0.179	0.212
Restricted capital ⁽³⁾	0.682	0.699

(1) Current Assets / Current Liabilities

(2) Total Shareholders' Equity/Total Liabilities

(3) Non-current Assets/Total Assets

Material events of the quarter and subsequent events

July 2019: Local Notes Issuance

On July 3, 2019, we issued the Series XXV Notes in the local capital markets, for an amount of USD 59.6 million, bearing a fixed interest rate of 9.0% payable semiannually, which matures on July 11, 2021. The proceeds were used to pay short term liabilities and working capital in Argentina.

August 2019: Share repurchase plan

On August 21, 2019, the Board of Directors has approved the terms and conditions for the acquisition of the common shares issued by the Company under the provisions of Section 64 of Law N° 26,831 and the Rules of the *Comisión Nacional de Valores*.

- (i) Maximum amount of the investment: Up to ARS 300,000,000.
- (ii) Maximum number of shares to be acquired: Up to 10% of the capital stock of the Company, in the form of common shares or American Depositary Shares.
- (iii) Daily limitation on market transactions: Up to 25% of the average volume of the daily transactions for the Shares and ADS in the markets during the previous 90 days.
- (iv) Payable Price: Up to ARS 10.00 per ADS and in the case of common shares, up to a maximum value in ARS equivalent to the maximum price per ADS divided by ten and multiplied by the value of the buyer exchange rate of the Argentine National Bank in force at the time of each repurchase.
- (v) Period in which the acquisitions will take place: Until 120 days, beginning the day following to the date of publication of the information in the Daily Bulletin of the Buenos Aires Stock Exchange.
- (vi) Origin of the Funds: The acquisitions will be made with realized and liquid earnings pending of distribution of the Company.

As of the financial statements' issuance date, no repurchase has yet been made under this program.

October 2019: Loan to Inversiones Financieras del Sur S.A.

By letter dated October 18, 2019, the Board of Directors of the company has approved the granting of a loan of 3,235,000 American Depositary Receipts (ADRs) of IRSA Inversiones y Representaciones Sociedad Anónima, held by the Company, to Inversiones Financieras del Sur S.A., a company controlled by the Company's president. The loan has been guaranteed by Inversiones Financieras del Sur S.A. with shares of equivalent value.

Having consulted the Audit Committee in the terms of Chapter III of the Rules of the National Securities Commission, as well as articles 72 and 110 Inc. h) Section IV of the Capital Market Law N°26.831, it has issued an opinion without objections to be made regarding the transaction above mentioned. Such opinion is at disposal of the Shareholders in the corporate headquarters.

October 2019: General Ordinary and Extraordinary Shareholders' Meeting

In October 30, 2019, our General Ordinary and Extraordinary Shareholders' Meeting was held. The following matters, inter alia, were resolved by majority of votes:

- Absorb accumulated losses as of June 30, 2019 with the special reserve and the special reserve RG 609/12
- Distribution of treasury own shares for up to 13.000.000.
- Designation of board members.
- Compensations to the Board of Directors for the fiscal year ended June 30, 2019
- Capital increase for up to the sum of nominal value ARS 180,000,000, by issuing up to 180,000,000 ordinary shares of ARS 1 Nominal Value each and one vote per share equivalent to 33.49% of the current Capital Stock.
- Incentive plan for employees, management and directors to be integrated without premium for up to 1% of the Capital Stock.

November 2019: Distribution of treasury shares

It has been arranged to distribute the company's own treasury shares for a total of 13,000,000 ordinary shares of 1 vote per share and ARS 1 N/V each.

Process start date: November 13, 2019

Payment address: Caja de Valores S.A. 25 de Mayo 362, City of Buenos Aires

Time: Monday to Friday from 10:00 a.m. to 3:00 p.m.

Amount approved by the Assembly: 13,000,000 shares.

The aforementioned distribution of the shares constitutes 0.02660982197 shares per ordinary share and 0.2660982197 per ADR, a percentage of 2.591485395% of the stock capital of ARS 501.642.804.- and 2.660982197% of the stock capital net of treasury shares.

The fractions of shares will be settled in cash in accordance with the regulations of the Bolsas y Mercados Argentinos S.A. on fractions less than 1 share or 1 ADR.

It is recorded that the shares mentioned above will be received in the respective proportion by the holders of outstanding shares of the company as of November 13, 2019.

The settlement date will be on November 14, 2019.

EBITDA Reconciliation

In this summary report, we present EBITDA and Adjusted EBITDA. We define EBITDA as profit for the period excluding: (i) result of discontinued operations, (ii) income tax expense, (iii) financial results, net iv) results from participation in associates and joint ventures; and (v) depreciation and amortization. We define Adjusted EBITDA as EBITDA minus net profit from changes in the fair value of investment properties, not realized.

EBITDA and Adjusted EBITDA are non-IFRS financial measures that do not have standardized meanings prescribed by IFRS. We present EBITDA and adjusted EBITDA because we believe they provide investors supplemental measures of our financial performance that may facilitate period-to-period comparisons on a consistent basis. Our management also uses EBITDA and Adjusted EBITDA from time to time, among other measures, for internal planning and performance measurement purposes. EBITDA and Adjusted EBITDA should not be construed as an alternative to profit from operations, as an indicator of operating performance or as an alternative to cash flow provided by operating activities, in each case, as determined in accordance with IFRS. EBITDA and Adjusted EBITDA, as calculated by us, may not be comparable to similarly titled measures reported by other companies. The table below presents a reconciliation of profit for the relevant period to EBITDA and Adjusted EBITDA for the periods indicated:

For the three-month period ended September 30 (in ARS million)		
	2019	2018
(Loss) / Profit for the period	6,942	5,377
Profit from discontinued operations	-15,095	-416
Income tax expense	1,988	-1,627
Net financial results	18,750	9,832
Share of profit of associates and joint ventures	-175	-186
Depreciation and amortization	3,265	2,048
EBITDA (unaudited)	15,675	15,028
Unrealized gain from fair value of investment properties	-8,865	-9,912
Realized gain from fair value of investment properties - Agribusiness	-	1,212
Adjusted EBITDA (unaudited)	6,810	6,328

Prospects for next fiscal year

This Fiscal Year presents challenges in both operations centers: Argentina and Israel. In Argentina, the political and economic outlook as of the issuance date of the financial statements is in a transition process, mainly motivated by the outcome of the general elections held in October of this year whose result produced a change in the Executive Power since next December with the consequent uncertainty regarding future political, economic and social decisions of the new administration. To this is added the situation in the region with some political and economic instability. Globally, we find the existence of trade conflicts between different countries and a slowdown in global growth that also has a negative impact on Latin America. The appreciation of international markets with respect to Argentina has become unstable as a result of the country's economic crisis and has influenced development expectations.

Regarding agribusiness, the 2020 Campaign is beginning with good weather conditions in the region. A neutral "Niño" phenomenon with good water profile is expected again, so we expect a good level of crop production, average yields and controlled costs. Regarding the markets, in the case of oilseeds, the price trend will continue to be influenced by the development of the trade conflict between China and the US. In case of continuing this dispute, we would see lower prices in the US and stronger in South America due to China's demand orientation towards this origin, while, in case of being solved, we would see a positive reaction of the Chicago quotes at the expense of FOB premiums in South America. The market in general will be influenced by the volatility of the exchange rate in the region, mainly in Argentina, where the peso depreciated approximately 25% at the beginning of the campaign.

Regarding livestock activity, we will focus on improving productivity by minimizing the impact of increased costs due to the economic situation, working efficiently to achieve the highest possible operating margins. We will continue concentrating our cattle production in our own farms, mainly in the Northwest of Argentina and consolidating the cattle activity in Brazil.

Regarding Farmland development, we hope to get the permits to increase the area under development and migrate from livestock to agricultural hectares, whose business is mainly for export, with more technology and greater price predictability, taking advantage of the dilution in dollars of transformation costs with the recent exchange depreciation in Argentina. Likewise, as part of our business strategy, we will continue selling the farms that have reached their maximum level of appreciation.

In relation to our urban properties and investment segment, we expect that the businesses from our subsidiary IRSA reflect good results in its two operations centers: Argentina and Israel.

On the national and international framework above mentioned, the Company is analyzing alternatives to appreciate its shares value. In that sense, the Board of Directors of the Company will continue in the evaluation of financial, economic and / or corporate tools that allow the Company to improve its position in the market in which it operates and have the necessary liquidity to meet its obligations. Within the framework of this analysis, the indicated tools may be linked to corporate reorganization processes (merger, spin-off or a combination of both), disposal of assets in public and / or private form that may include real estate as well as negotiable securities owned by the Company, incorporation of shareholders through capital increases through the public offering of shares to attract new capital -as it was approved in the Shareholders' Meeting that took place on October 30, 2019-, repurchase of shares and instruments similar to those described that are useful to the proposed objectives.

We believe that Cresud, owner of a diversified rural and urban real estate portfolio, with a management of many years of experience in the sector and a great track record in accessing to the capital market, will have great possibilities to take advantage of the best opportunities that occur in the market.

Alejandro G. Elsztain
CEO

Consolidated Condensed Interim Balance Sheets
as of September 30, 2019 and June 30, 2019
(Amounts stated in millions)

	<u>09.30.19</u>	<u>06.30.19</u>
ASSETS		
Non-current assets		
Investment properties	198,285	263,773
Property, plant and equipment	46,031	42,600
Trading properties	6,574	6,185
Intangible assets	23,133	20,485
Right-of-use assets	14,938	-
Biological assets	1,385	1,421
Other assets	33	25
Investment in associates and joint ventures	63,567	35,329
Deferred income tax assets	626	609
Income tax and MPIT credits	185	214
Restricted assets	2,943	3,580
Trade and other receivables	20,630	17,109
Investment in financial assets	3,916	3,251
Financial assets held for sale	-	4,701
Derivative financial instruments	110	120
Total non-current assets	<u>382,356</u>	<u>399,402</u>
Current assets		
Trading properties	277	412
Biological assets	2,069	2,988
Inventories	5,379	5,041
Restricted assets	9,640	4,930
Income tax and MPIT credits	429	440
Financial assets held for sale	15,850	9,053
Groups of assets held for sale	35,050	30,275
Investment in financial assets	29,378	35,536
Trade and other receivables	14,675	13,122
Derivative financial instruments	135	127
Cash and cash equivalents	65,591	70,313
Total current assets	<u>178,473</u>	<u>172,237</u>
TOTAL ASSETS	<u>560,829</u>	<u>571,639</u>
SHAREHOLDERS' EQUITY		
Shareholders' equity (according to corresponding statement)	16,564	18,928
Non-controlling interest	68,383	81,224
TOTAL SHAREHOLDERS' EQUITY	<u>84,947</u>	<u>100,152</u>
LIABILITIES		
Non-current liabilities		
Borrowings	292,419	312,903
Deferred income tax liabilities	37,066	45,030
Trade and other payables	2,344	2,228
Provisions	11,014	9,037
Employee benefits	166	149
Income tax and MPIT liabilities	6	-
Derivative financial instruments	602	1,157
Leasing liabilities	11,975	-
Payroll and social securities liabilities	172	155
Total non-current liabilities	<u>355,764</u>	<u>370,659</u>
Current liabilities		
Trade and other payables	25,699	25,431
Borrowings	72,023	63,290
Provisions	2,137	1,950
Group of liabilities held for sale	11,445	6,406
Payroll and social security liabilities	3,094	2,993
Income tax and minimum presumed income tax liabilities	638	550
Leasing liabilities	4,158	-
Derivative financial instruments	924	208
Total Current liabilities	<u>120,118</u>	<u>100,828</u>
TOTAL LIABILITIES	<u>475,882</u>	<u>471,487</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	<u>560,829</u>	<u>571,639</u>

Consolidated Condensed Interim Statements of Income and Other Comprehensive Income for the three-month period ended September 30, 2019 and 2018

(Amounts stated in millions)

	09.30.19	09.30.18
Revenues	24,869	20,179
Costs	(17,201)	(13,680)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	373	302
Changes in the net realizable value of agricultural products after harvest	388	324
Gross profit	8,429	7,125
Net gain from fair value adjustment of investment properties	8,865	9,912
Gain from disposal of farmlands	212	2
General and administrative expenses	(2,376)	(2,242)
Selling expenses	(2,947)	(2,653)
Other operating results, net	227	1,206
Management fees	-	(370)
Profit from operations	12,410	12,980
Share of profit of associates and joint ventures	175	186
Profit before financial results and income tax	12,585	13,166
Finance income	265	288
Finance cost	(6,430)	(4,718)
Other financial results	(12,268)	(5,547)
Inflation adjustment	(317)	145
Financial results, net	(18,750)	(9,832)
(Loss) / Profit before income tax	(6,165)	3,334
Income tax	(1,988)	1,627
(Loss) / Profit for the period from continuing operations	(8,153)	4,961
Profit for the period from discontinued operations	15,095	416
Profit for the period	6,942	5,377
<u>Other comprehensive income / (loss):</u>		
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustment	9,807	15,120
Change in the fair value of hedging instruments net of income taxes	(13)	(6)
Items that may not be reclassified subsequently to profit or loss:		
Revaluation of fixed assets transferred to investment properties	-	787
Actuarial loss from defined benefit plans	(51)	-
Other comprehensive income for the period from continuing operations	9,743	15,901
Other comprehensive income for the period from discontinued operations	3,811	7,275
Total other comprehensive income for the period	13,554	23,176
Total comprehensive income for the period	20,496	28,553
Total comprehensive income from continuing operations	1,590	20,862
Total comprehensive income from discontinued operations	18,906	7,691
Total comprehensive income from the period	20,496	28,553
(Loss) / profit for the period attributable to:		
Equity holders of the parent	(2,335)	919
Non-controlling interest	9,277	4,458
(Loss) / profit from continuing operations attributable to:		
Equity holders of the parent	(6,519)	857
Non-controlling interest	(1,634)	4,104
Total comprehensive (Loss) / income attributable to:		
Equity holders of the parent	(1,728)	5,657
Non-controlling interest	22,224	22,896
(Loss) / profit for the period per share attributable to equity holders of the parent:		
Basic	(4.801)	1.917
Diluted	(4.801)	1.830
(Loss) / profit per share from continuing operations attributable to equity holders of the parent:		
Basic	(13.40)	1.837
Diluted	(13.40)	1.754

Consolidated Condensed Interim Cash Flow Statements
for the three-month periods ended September 30, 2019 and 2018

(Amounts stated in millions)

	09.30.19	09.30.18
Operating activities:		
Net cash generated from operating activities before income tax paid	7,819	3,057
Income tax paid	(260)	(94)
Net cash generated from continuing operating activities	7,559	2,963
Net cash generated from discontinued operating activities	1,145	310
Net cash generated from operating activities	8,704	3,273
Investing activities:		
Increase of interest in associates and joint ventures	(4)	(80)
Acquisition of associates and joint ventures	(2,288)	-
Capital contributions to associates and joint ventures	(110)	-
Increase of interest in associates and joint ventures	(899)	(51)
Increase in cash due to deconsolidation of subsidiary	-	54
Acquisition and improvements of investment properties	-	(1,898)
Proceeds from sales of investment properties	36	11
Acquisitions and improvements of property, plant and equipment	(1,050)	(1,039)
Advance payments	(4)	(26)
Acquisition of intangible assets	(714)	(701)
Proceeds from sales of property, plant and equipment	2,537	2
Net increase of restricted deposits	-	(295)
Dividends collected from associates and joint ventures	54	146
Proceeds from sales of interest held in associates and joint ventures	39	(8)
Proceeds from loans granted	33	92
Acquisitions of investments in financial assets	(8,336)	(8,105)
Proceeds from disposal of investments in financial assets	12,512	12,263
Proceeds from financial assets interest	277	296
Dividends received	67	203
Proceeds from intangible assets sales	75	-
Loans granted	(609)	-
Decrease in securities	(1,577)	-
Proceeds from liquidation of associate	-	631
Net cash generated from continuing investing activities	39	1,495
Net cash generated from discontinued investing activities	2,347	(193)
Net cash generated from investing activities	2,386	1,302
Financing activities:		
Borrowings and issuance of non-convertible notes	13,794	23,332
Payment of borrowings and non-convertible notes	(22,661)	(5,106)
Obtention of short-term loans, net	525	5,012
Interest paid	(5,435)	(2,818)
Repurchase of own shares	-	(1,026)
Repurchase of non-convertible notes	(8,590)	(6,872)
Acquisition of non-controlling interest in subsidiaries	(180)	(368)
Proceeds from sales of non-controlling interest in subsidiaries	-	11
Loans received from associates and joint ventures, net	-	86
Dividends paid to non-controlling interest in subsidiaries	-	(356)
Proceeds from derivative financial instruments, net	57	238
Payment of seller financing	-	(2)
Net cash (used in) / generated from continuing financing activities	(22,490)	12,131
Net cash (used in) / generated from discontinued financing activities	(3,810)	160
Net cash (used in) / generated from financing activities	(26,300)	12,291
Net (Decrease) / Increase in cash and cash equivalents from continuing activities	(14,892)	16,589
Net (Decrease) / Increase in cash and cash equivalents from discontinued activities	(318)	277
Net (Decrease) / Increase in cash and cash equivalents	(15,210)	16,866
Cash and cash equivalents at beginning of the period	70,313	67,663
Cash and cash equivalents reclassified to held for sale	26	(298)
Foreign exchange gain on cash and changes in fair value of cash equivalents	10,462	25,822
Cash and cash equivalents at the end of the period	65,591	110,053

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Nasdaq Symbol: **CRESY**