



# IIQ FY 2019 Conference Call

March 6, 2019

Hosted by: Alejandro Elsztain, CEO

Carlos Blousson, General  
Manager of Argentina & Bolivia

Matías Gaivironsky, CFO



# Main Events for 6M FY 2019



Financial Statements

## Adjusted for Inflation

Since IIQ19

**ARS 10 billion**

Adjusted EBITDA  
+29.3% vs. 6M18

ARS 1.7 billion  
Agribusiness

ARS 8.3 billion  
Urban & Investments

**- ARS 5.6 billion**

Net Loss  
vs. Gain **ARS 11.5 bn** in 6M18

**- ARS 3.9 billion**

Net Loss attributable to  
CRESUD

Mainly explained by a  
**Loss** from changes in  
**FV of IRSA investment  
properties** in Argentina



## New shares repurchase plan

- Up to ARS 300 million
- 93.3% repurchased as of today



**258 Th. ha**

Planted area FY19  
+24% vs FY18



**100%**  
Wheat  
Harvest Progress



**16%**  
Soybean  
Harvest Progress



**3%**  
Corn  
Harvest Progress



**8,500 ha**

Expected to be developed during FY19



**BRL 185.8 million**

Brasilagro Farmland Sales



**+432%**

Agribusiness Adjusted EBITDA growth

**+60%**

Farming EBITDA growth



**+6.2%**

Argentina Rental EBITDA growth

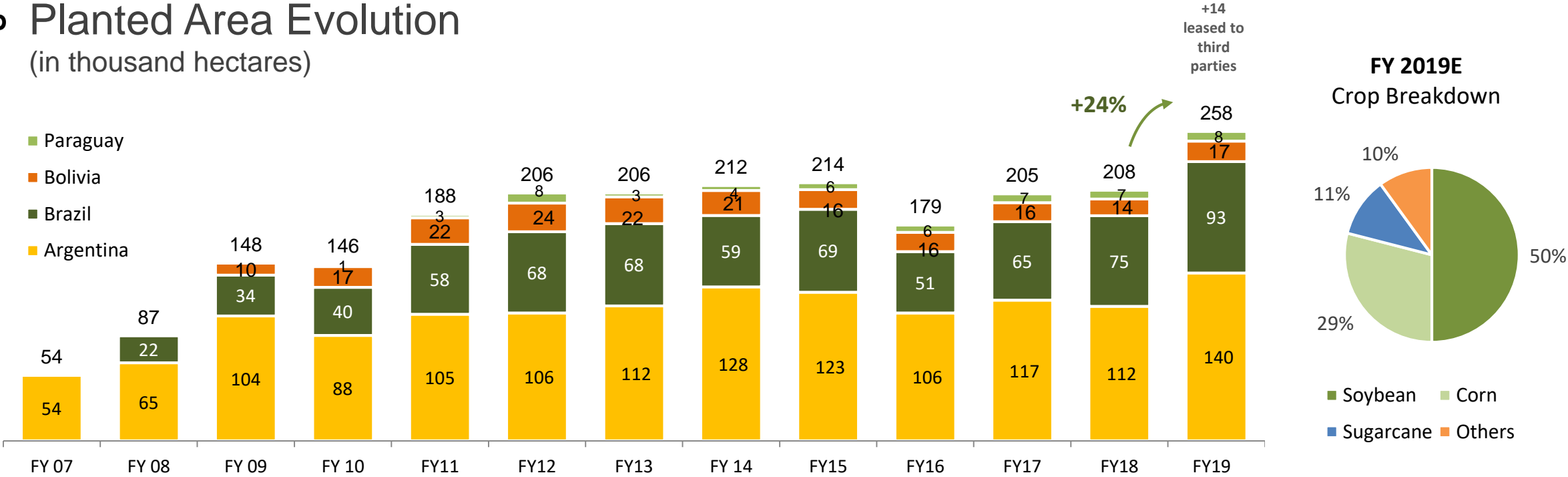


**+12.1%**

Israel Rental EBITDA growth

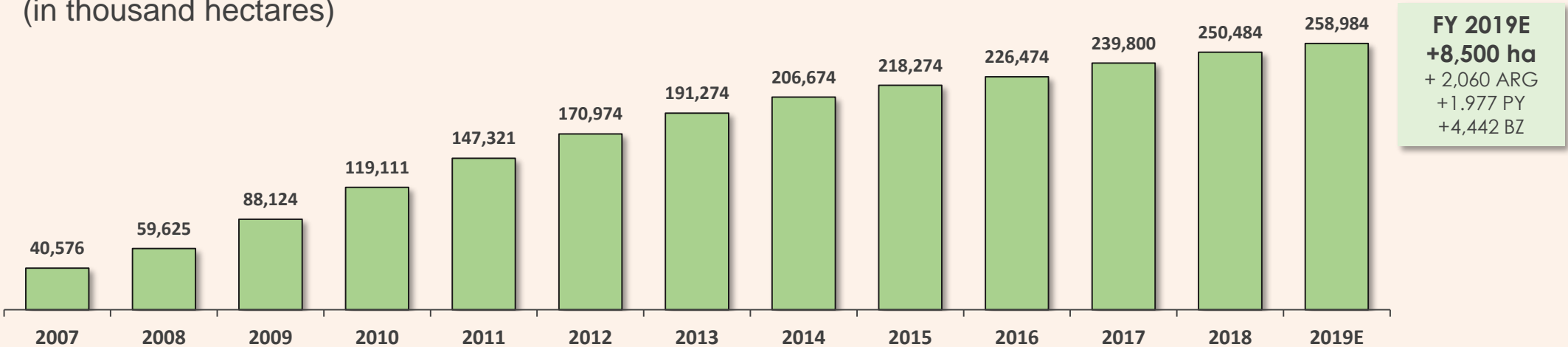
# Planted Area Evolution

(in thousand hectares)



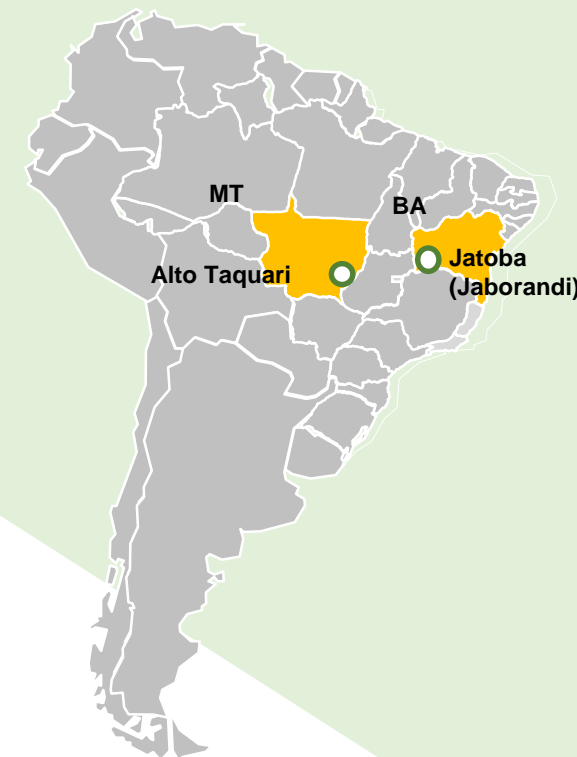
# Farmland Development Evolution

(in thousand hectares)





# Regional Farmland Sales



## IQ 2019

“Jatobá” partial sale

**BRL 177.8 million**

9,784 has (BRL/ha 18,172)

IRR (USD): 7.1%

Remaining has: 21,197

## IIQ 2019

“Alto Taquari” partial sale

**BRL 8.0 million**

103 has (BRL/ha 77,670)

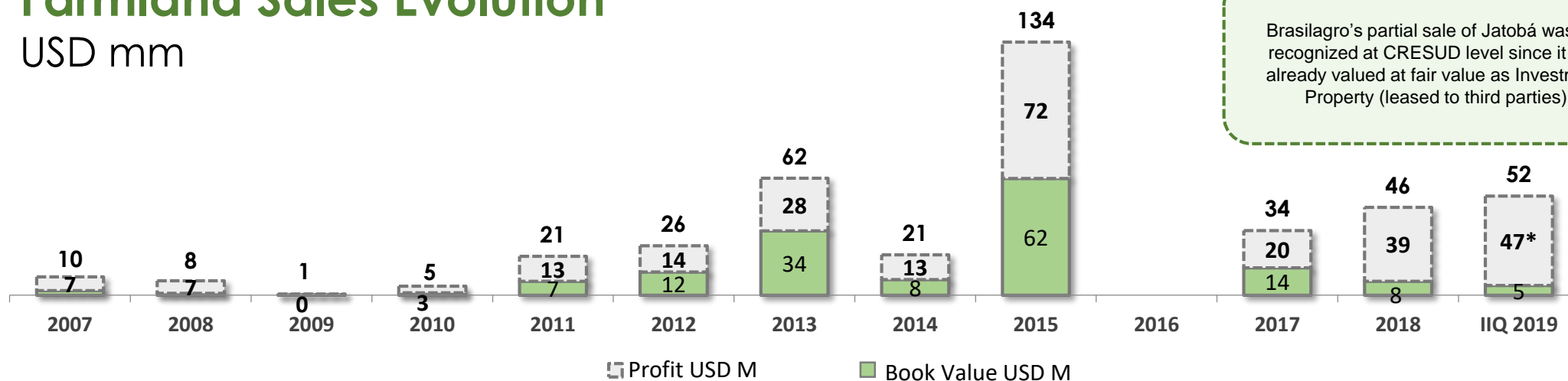
Profit: BRL 5.8 million

IRR (USD): 17.1%

Remaining has: 5,291 (productive 3,476 ha)

## Farmland Sales Evolution

USD mm

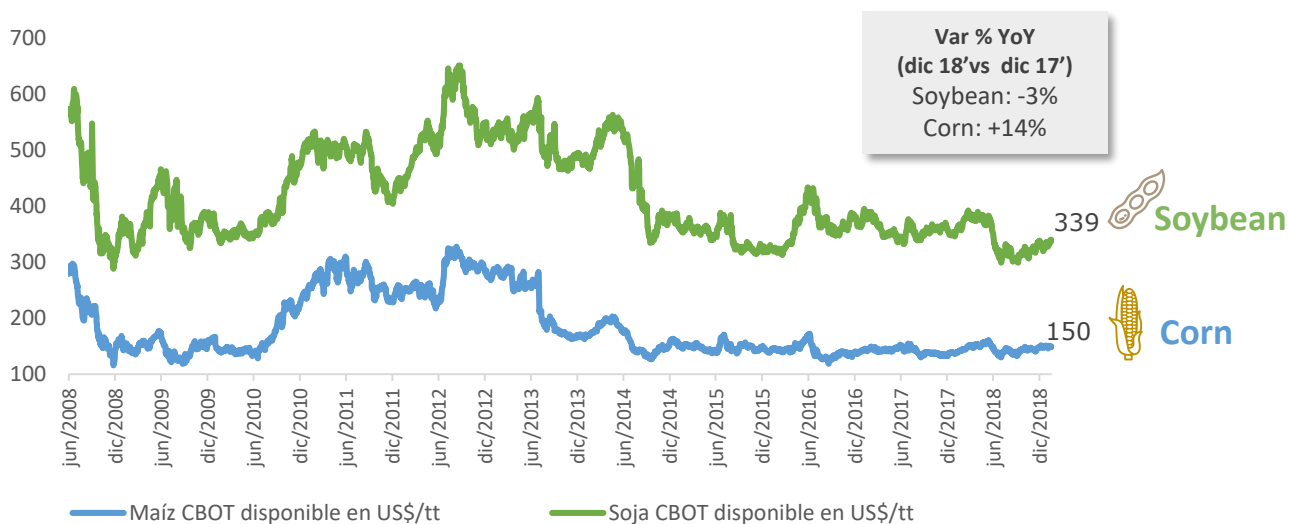


Brasilagro's partial sale of Jatobá was not recognized at CRESUD level since it was already valued at fair value as Investment Property (leased to third parties)

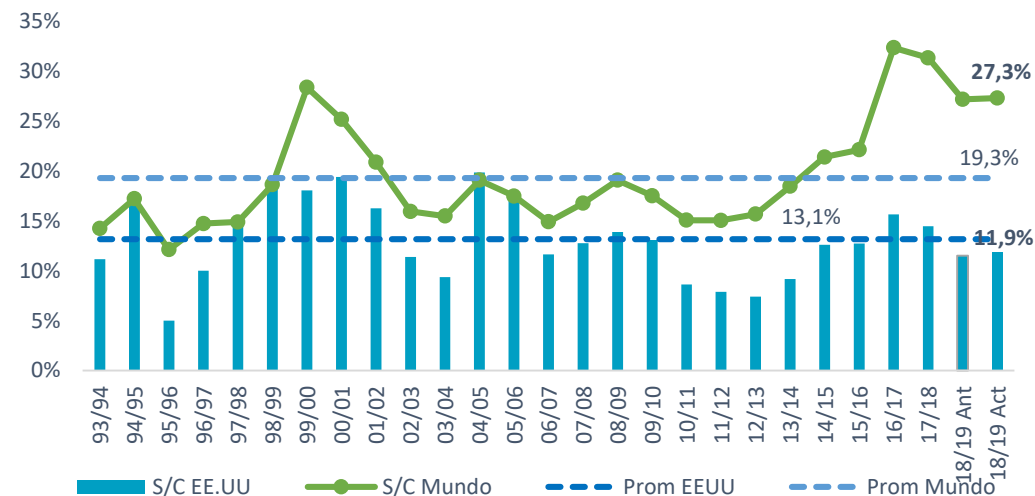
\*USD 47mm considers the full price transaction of Jatobá & Alto Taquari financed partial sales (Present Value USD 31 mm).

# CRESUD Farming: Commodity Prices & Global Stocks

## Commodity Prices



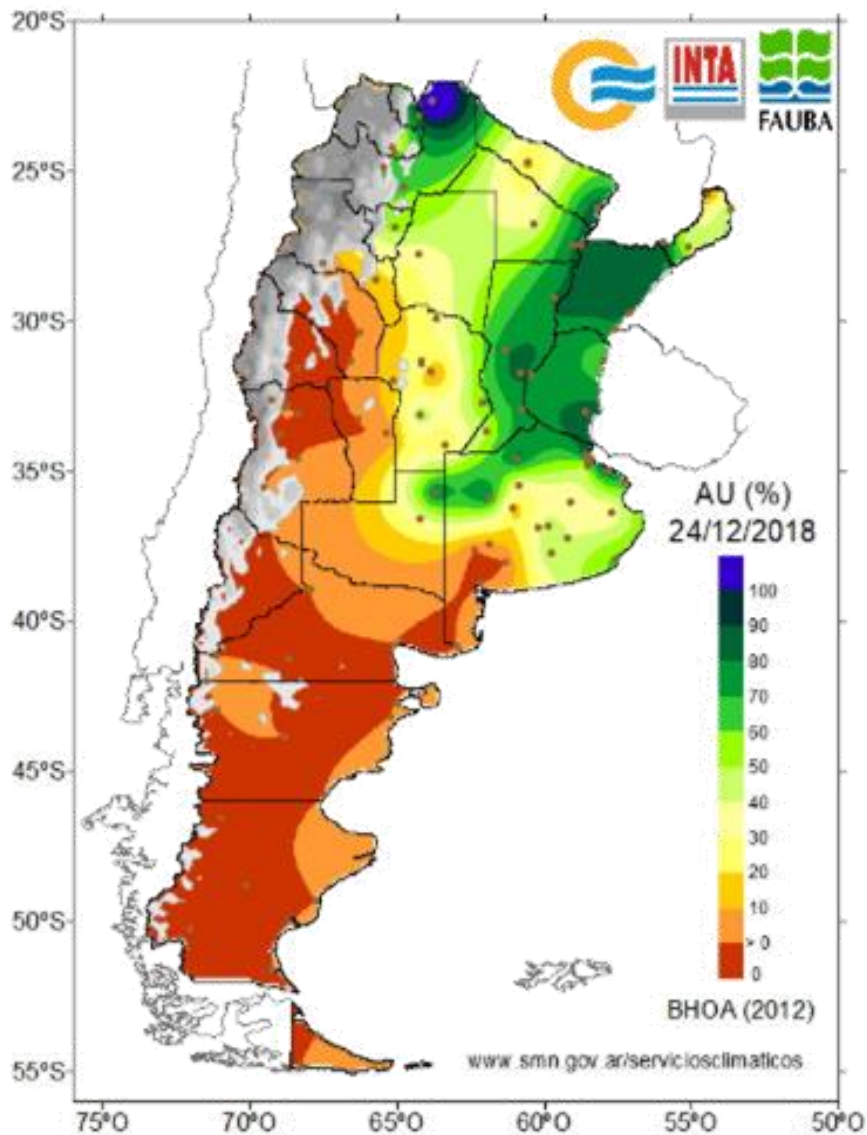
## Corn: Stock / Consumption



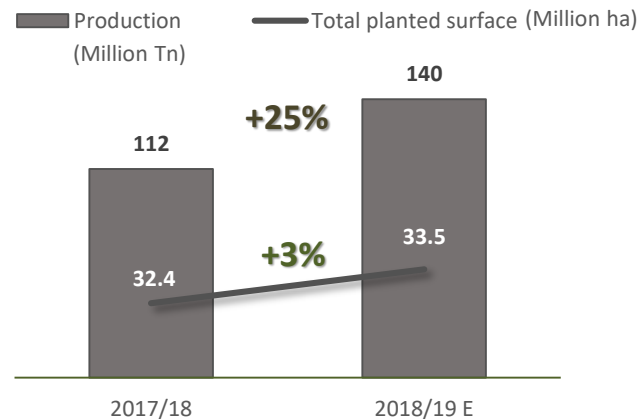
## Soybean: Stock / Consumption



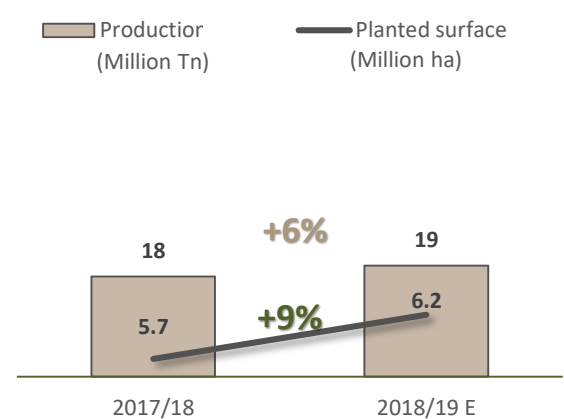
**CRESUD** Good prospects for 2019 campaign in Argentina



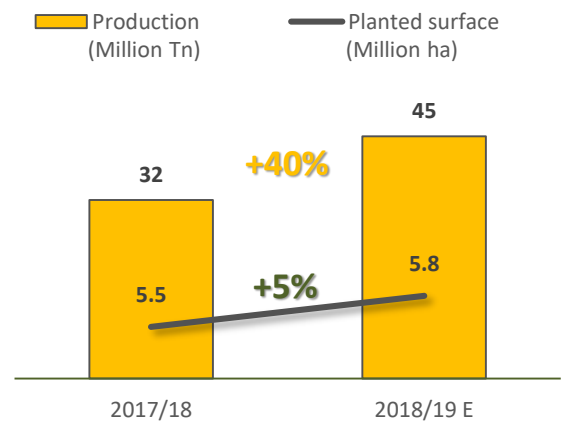
### Record Planted surface in Argentina



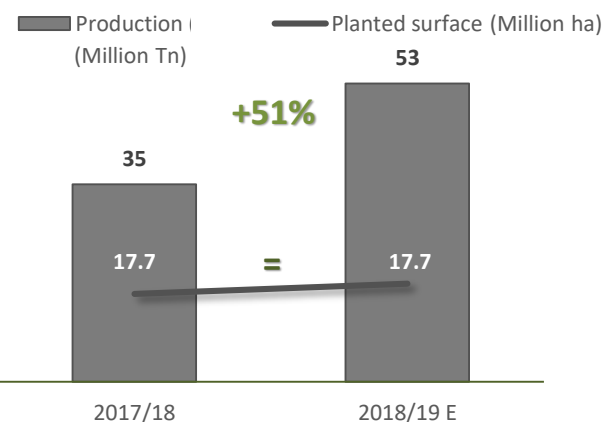
### Wheat



### Corn



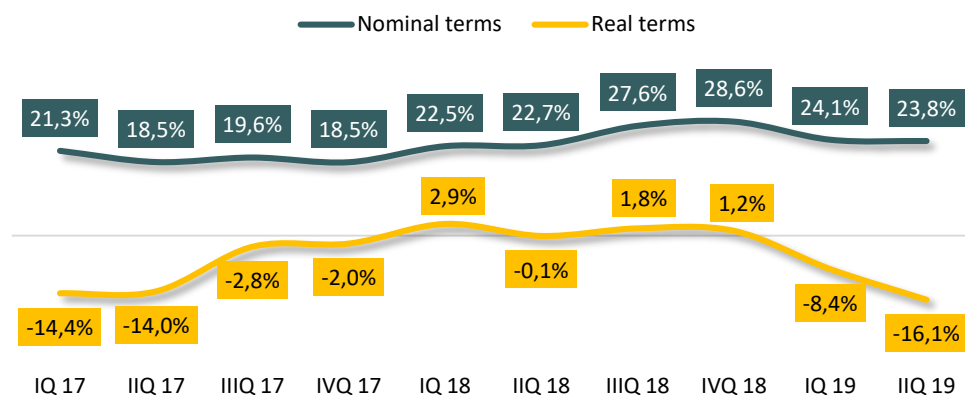
### Soybean



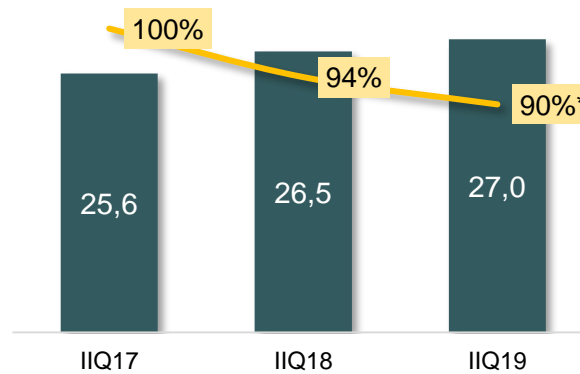
# Investment in IRSA - Argentina Business Center

## Shopping Malls – Tenants' Sales

(% Var i.a.)

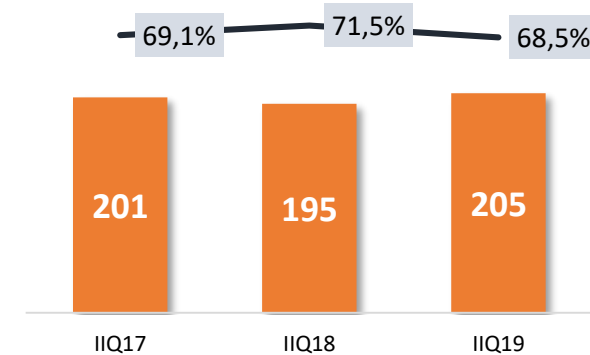


## Offices – Leases USD/sqm/month & Occupancy

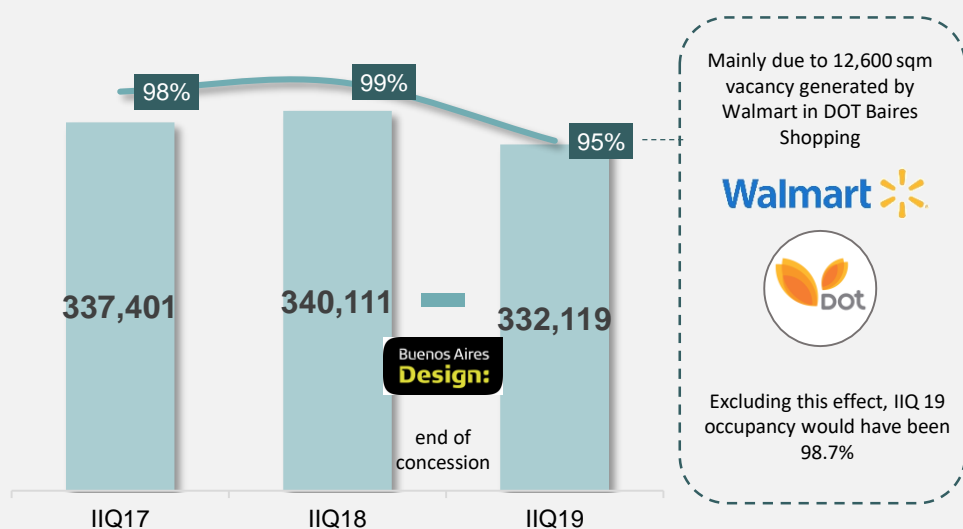


\* Mainly explained by new vacant floors at Dot building. Considering Zetta building fully leased to open next quarter, the avg occupancy would have been ~93%.

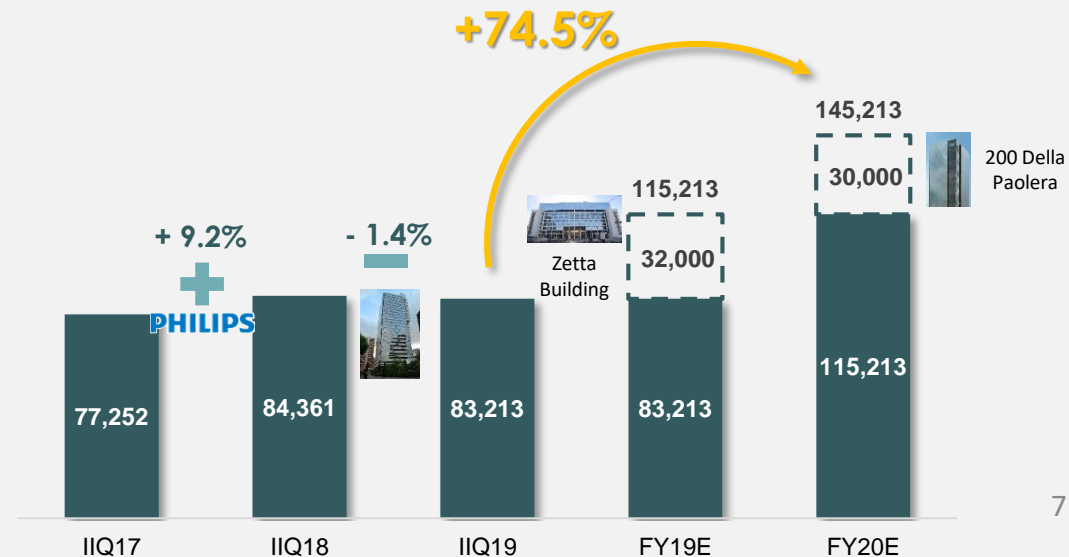
## Hotels – Rate USD/night & Occupancy



## Shopping Centers – Sqm GLA (Th.) & Occupancy (%)



## Offices – Stock (sqm GLA)





### ■ Sales:

(Through swap transactions)



Aug-2018: **5% stake**  
 Jan-2019: **4.5% stake**  
 Current stake: **25.3%**  
 Economic rights: **54.9%**

### ■ Sale:



**7.5% stake**  
 NIS 416 mm.  
 Current stake: **26.0%**

### ■ Acquisitions:



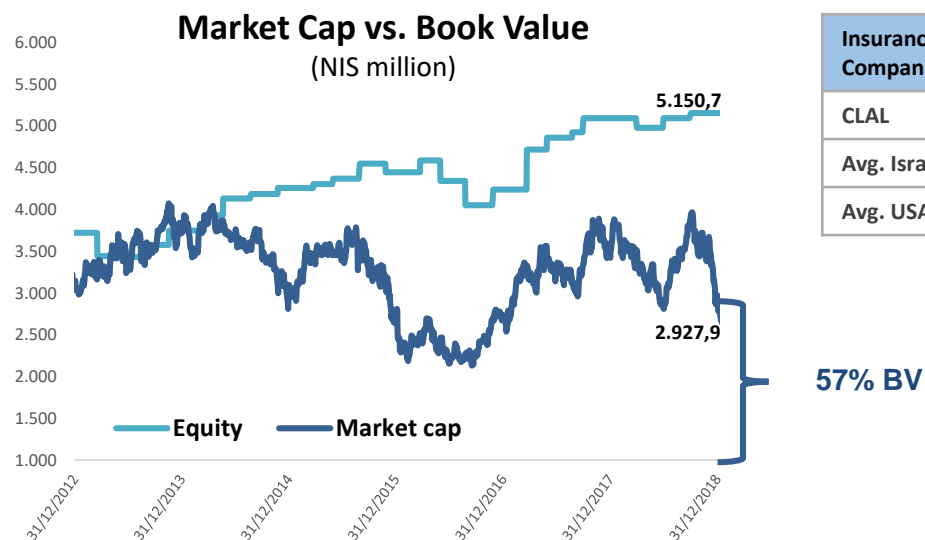
**3% stake**  
 NIS 55 mm  
 Current stake: **67.5%**



**9.2% stake**  
 NIS 31 mm  
 Current stake: **59.5%**



**0.7% stake**  
 NIS 15 mm  
 (+NIS 31 mm option exercise)  
 Current stake: **43.9%**



### ■ Shares repurchase plan:

Up to NIS 120 mm  
 Period: 1 year (until Dec-2019)  
 Remaining floating capital stock: **no less than 10.1%**  
 As of Dec-2018 **2.1 mm** shares already repurchased (NIS 9 mm)

### ■ Dividend distribution (Feb-2019): NIS 100 mm (NIS 60 mm in kind – IDB Series 9 Bond – and NIS 40 mm in cash)

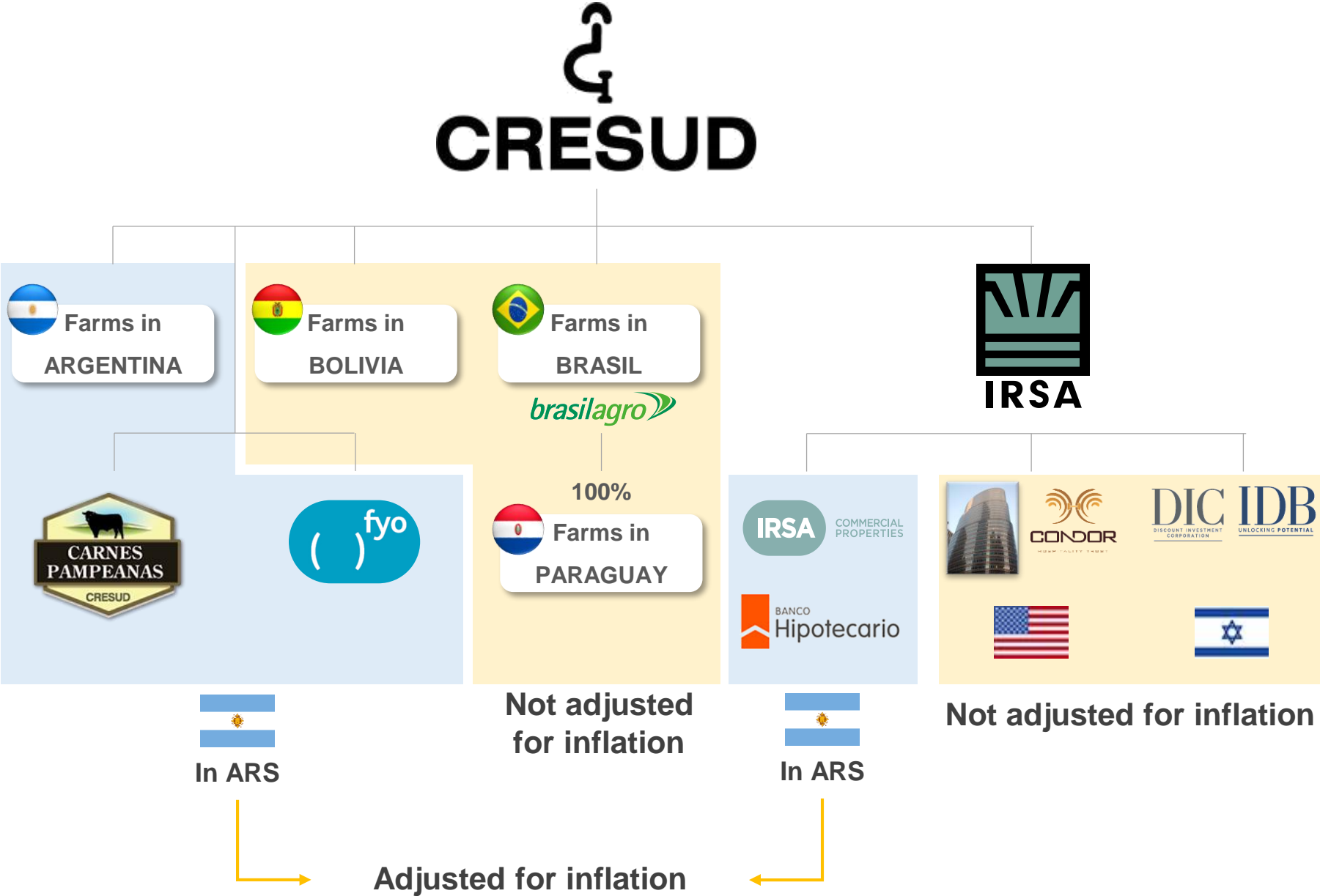




## Financial Results







# Adjustment for Inflation - Impact on Assets

## Investment Properties

Farms leased to 3<sup>rd</sup> parties  
Shopping Malls  
From subsidiary IRSA



Office Buildings  
From subsidiary IRSA  
Land Reserves  
From subsidiary IRSA



Valued at Fair value

- Inventories (Crops)
- Biological Assets

## Other Assets

- Property, Plant & Equipment  
Owned farms  
Hotels (from subsidiary IRSA)
- Inventories  
(Materials & Supplies)
- Properties for Sale  
(From subsidiary IRSA)
- Intangibles  
Long-term concessions (Agropecuaria Anta)  
Goodwill  
Software  
Rights of use (Distrito Arcos – from subsidiary IRSA)  
Right to receive units (Barter agreements – from subsidiary IRSA)

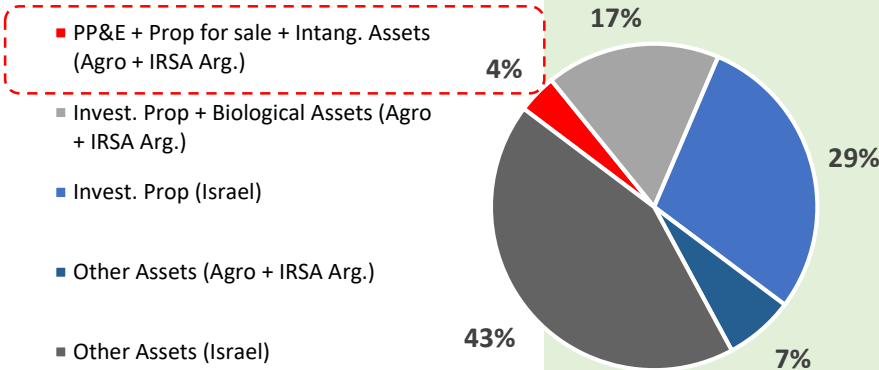
Valued at historical cost adjusted for inflation

### Balance Sheet

No impact

### Income Statement

Segregation of net gain/loss between: (i) real FV adjustment gain/loss, and (ii) inflation adjustment



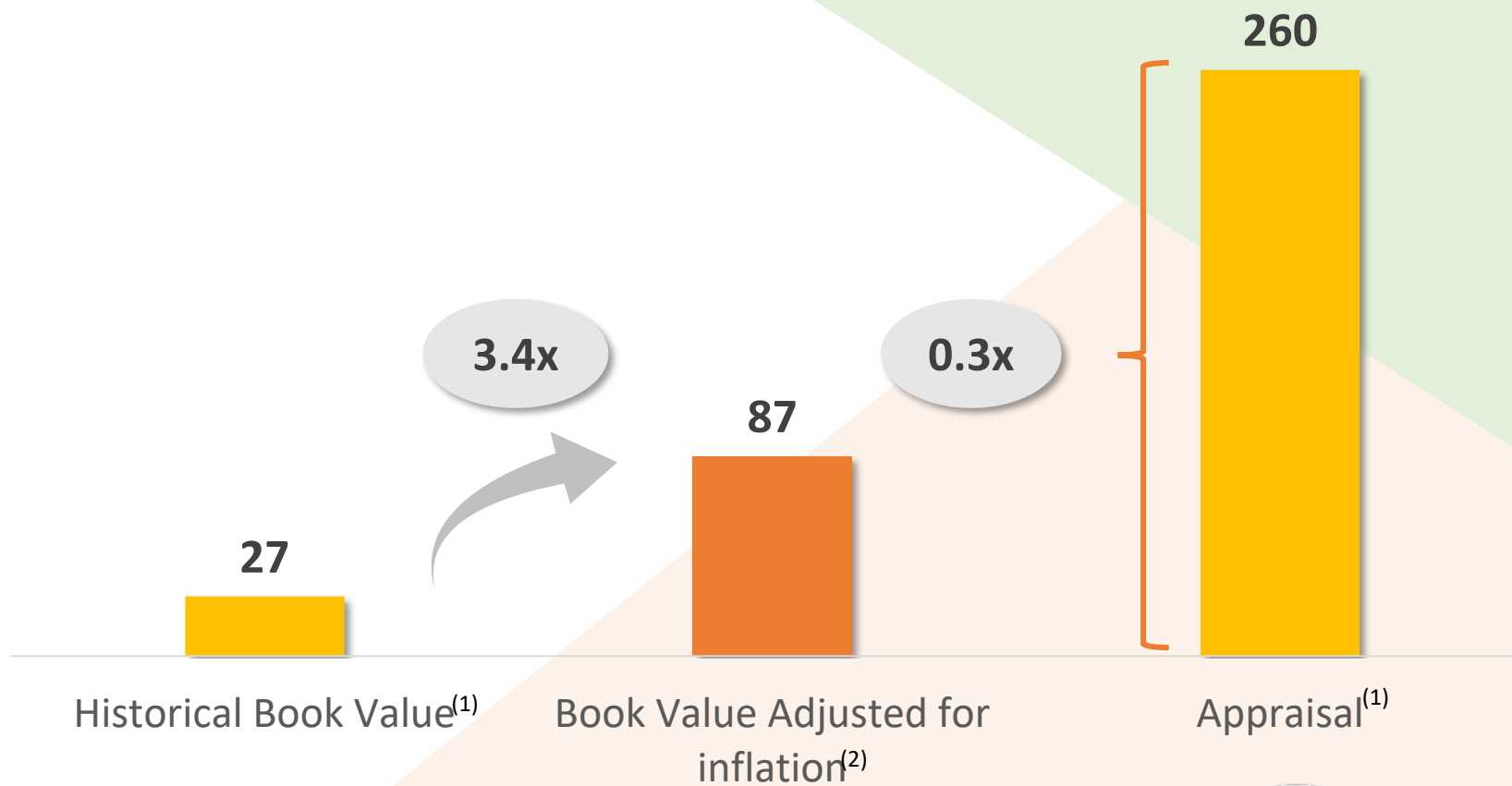
### Balance Sheet

Items are adjusted for inflation since incorporation or the beginning of the period, if later.

### Income Statement

- a. Annual inflation gain/loss reflected in a separate P&L item "Inflation Adjustment"
- b. Increased depreciation charge for the year due to PP&E inflation adjustment

# Owned farms in Argentina – Current Book Value<sup>(1)</sup> (USD million)



<sup>(1)</sup> As of June 30, 2018 considering ARS/USD 28.85 FX rate

<sup>(2)</sup> As of December 31, 2018 considering ARS/USD 37.5 Adjusted FX rate



## Liabilities - Deferred Revenues

(Admission rights and Rent and Service payments received in advance)

**Valued at historical cost  
adjusted for inflation**

**Balance Sheet**

Items are adjusted for inflation since collection.

**Income Statement**

- a. Annual inflation gain/loss reflected in a separate P&L item "Inflation Adjustment"
- b. Increased Revenues due to adjusted accrual of Admission rights, Rent and Services collected in advance.

## Shareholders' Equity

- Adjustment by inflation of equity accounts from the beginning until the end of the period generates a negative impact in P&L reflected in "Inflation Adjustment" line item.
- **Currency translation adjustment from foreign Investments:** Segregation between inflation and real currency depreciation
  - Real currency depreciation -> impact remains in Equity
  - Inflation -> impact in **P&L**

# Consolidated Financial Statements IIQ FY 2019

(ARS millions)

P&L	Agribusiness			Argentina Business Center			Israel Business Center			Total		
	6M 2019	6M 2018	Var %	6M 2019	6M 2018	Var %	6M 2019	6M 2018	Var %	6M 2019	6M 2018	Var %
1 Revenues	5,224	4,505	16%	5,730	5,421	6%	22,149	18,312	21%	33,103	28,238	17%
2 Costs	-4,455	-3,852	16%	-1,979	-2,194	-10%	-14,305	-11,229	27%	-20,739	-17,275	20%
<b>3 Gross Profit</b>	<b>1,264</b>	<b>906</b>	<b>40%</b>	<b>3,751</b>	<b>3,227</b>	<b>16%</b>	<b>7,844</b>	<b>7,083</b>	<b>11%</b>	<b>12,859</b>	<b>11,216</b>	<b>15%</b>
4 Change in Fair Value	-22	262	-108%	-6,277	8,327	-175%	780	1,747	-55%	-5,519	10,336	-153%
5 Farmland Sales	53	-	-	-	-	-	-	-	-	53	-	-
6 S,G&A Expenses <sup>(1)</sup>	-842	-861	-2%	-1,162	-905	28%	-5,501	-5,124	7%	-7,505	-6,890	9%
7 Other Net Operating Results	174	25	596%	-164	-48	242%	511	1,129	-55%	521	1,106	-53%
8 Management Fee	-	-	-	-	-	-	-	-	-	0	-785	-100%
<b>9 Operating Income</b>	<b>627</b>	<b>332</b>	<b>89%</b>	<b>-3,852</b>	<b>10,601</b>	<b>-136%</b>	<b>3,634</b>	<b>4,835</b>	<b>-25%</b>	<b>409</b>	<b>14,983</b>	<b>-97%</b>
10 Share of Results of associates and JV										-717	78	-1,019%
11 Net Financial Results										-7,950	-8,205	-3%
12 Income Tax										1,921	3,327	-42%
<b>13 Net Income from continuing operations</b>										<b>-6,337</b>	<b>10,183</b>	<b>-162%</b>
14 Net Income from discontinuing operations										717	1,291	-44%
<b>15 Net Income</b>										<b>-5,620</b>	<b>11,474</b>	<b>-149%</b>
Attributable to:												
<b>16 Controlling Interest</b>										-3,925	5,354	-173%
<b>17 Non-controlling Interest</b>										-1,695	6,120	-128%
<b>2+6 Total Costs + Expenses</b>	<b>-5,297</b>	<b>-4,713</b>	<b>12%</b>	<b>-3,141</b>	<b>-3,099</b>	<b>1%</b>	<b>-19,806</b>	<b>-16,353</b>	<b>21%</b>	<b>-28,244</b>	<b>-24,165</b>	<b>17%</b>

<sup>(1)</sup> Includes corporate expenses (ARS 71 MM in Cresud, ARS 212 MM in IRSA and ARS 275 MM in Israel)

# Adjusted EBITDA by Segment 6M FY 2019

(ARS millions)

Agribusiness		6M 2019	6M 2018	Var %
1	Farmland Sales	930	-8	-
2	Farming	643	402	60%
3	Grains	375	49	658%
4	Sugarcane	405	471	-14%
5	Cattle & Milk <sup>(1)</sup>	-150	-124	21%
6	Agriculture Rent & Services	13	6	118%
7	Others (inc. Agro-industrial & FYO)	224	-57	-
8	Total	1,797	338	432%

<sup>(1)</sup>Milk was discontinued on IIQ 2018

Urban Segment: Argentina Business Center		6M 2019	6M 2018	Var %
9	Shopping Malls	2,062	2,286	-10%
10	Offices	409	281	46%
11	Hotels	305	46	563%
12	Sales & Development	-166	284	-158%

Urban Segment: Israel Business Center		6M 2019	6M 2018	Var %
13	Real Estate	3,312	2,431	36%
14	Telecommunications	2,790	3,013	-7%
15	Others	5	118	-96%
16	Devaluation (ARS/NIS)			35%

▪ Adjusted EBITDA:

- + EBITDA
- Changes in Fair Value of investment properties
- + Realized gains from sales of farmlands classified as investment properties

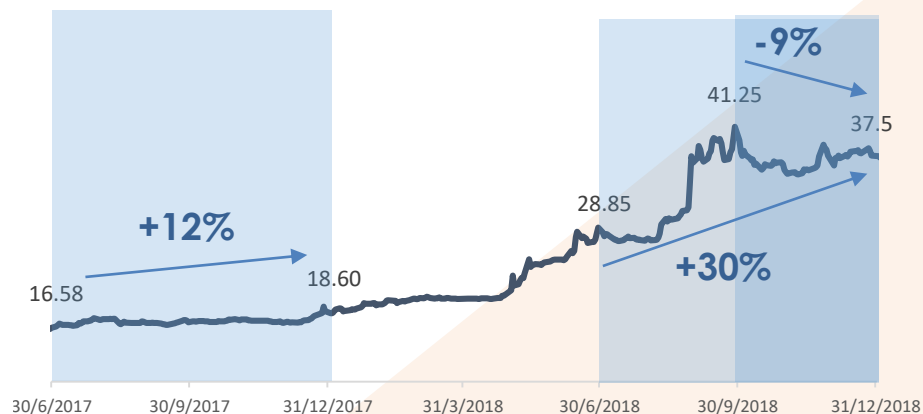
# Consolidated Financial Statements IIQ FY 2019

(ARS millions)

## Net financial Results

	CRESUD + BRASILAGRO			IRSA			IDB + DIC			Total		
	6M 2019	6M 2018	Var %	6M 2019	6M 2018	Var %	6M 2019	6M 2018	Var %	6M 2019	6M 2018	Var %
1 Net Interest, loss	-508	-116	338%	-1,478	-794	86%	-5,187	-4,690	11%	-7,173	-5,600	28%
2 Net exchange difference	-478	22	-2,273%	-1,544	-170	808%	150	148	1%	-1,872	-	-
3 Earned dividends and other net financial costs	-31	-57	-47%	-81	-61	33%	113	-3,526	-103%	1	-3,644	-100%
4 Profit from FV of financial assets and derivate instruments	8	38	-79%	1,112	331	236%	101	691	-85%	1,221	1,060	15%
5 Adjustment for inflation	260	165	58%	-387	-186	108%	-	-	-	-127	-21	505%
<b>6 Net Financial Results</b>	<b>-749</b>	<b>52</b>	<b>-1,598%</b>	<b>-2,378</b>	<b>-880</b>	<b>170%</b>	<b>-4,823</b>	<b>-7,377</b>	<b>-35%</b>	<b>-7,950</b>	<b>-8,205</b>	<b>-3%</b>

**Nominal Exchange Rate evolution (ARS/USD)**  
**6M19 vs 6M18**



**CLAL Insurance share evolution (NIS)**  
**6M19 vs 6M18**





# Net Debt as of December 31, 2018\*

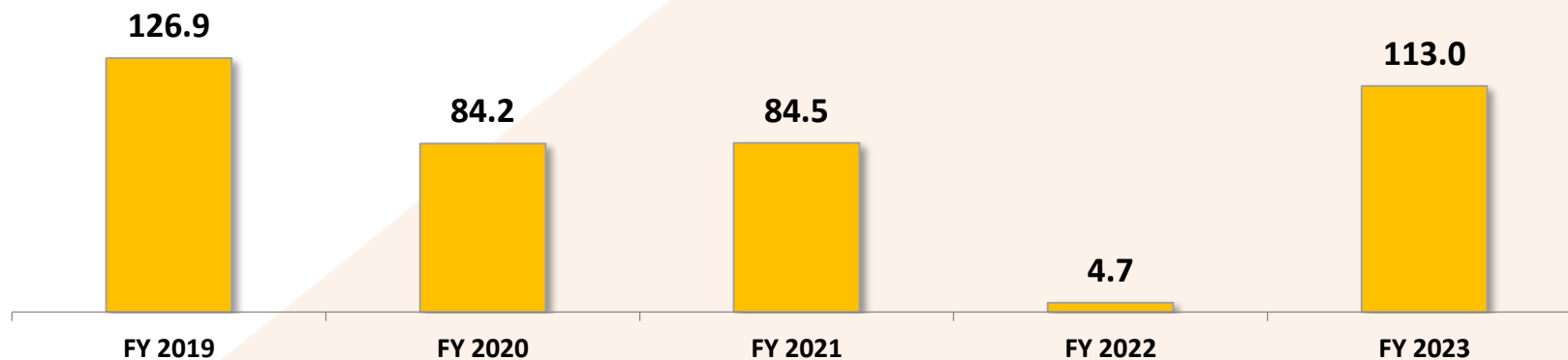
(USD million)

**CRESUD Net Debt**

**395.5**

In November 2018, we issued a local Bond for **USD 73.6 mm**  
at a fixed annual interest rate of 9.0% due November 2020 to refinance short-term debt

## Amortization Schedule



\*Does not include IRCP & IDB/DIC debt



## Contact Information

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## Cautionary Statement

Investing in all equities, including natural resources and real estate-related equities, carries risks which should be taken into consideration when making an investment.

This institutional presentation contains statements that constitute forward-looking statements, in that they include statements regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. You should be aware that any such forward looking statements are no guarantees of future performance and may involve risks and uncertainties, and that actual results may differ materially and adversely from those set forth in this presentation. We undertake no obligation to release publicly any revisions to such forward-looking statements to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements can be found in the companies' Forms 20-F for Fiscal Year 2018 ended June 30, 2018, which are available for you in our websites.