

CRESUD INC  
Form 6-K  
February 23, 2005

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 6-K

REPORT OF FOREIGN ISSUER

PURSUANT TO RULE 13a-16 OR 15b-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

For the month of February, 2005

# CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA FINANCIERA Y AGROPECUARIA

(Exact name of Registrant as specified in its charter)

CRESUD INC.

(Translation of registrant's name into English)

Republic of Argentina

(Jurisdiction of incorporation or organization)

Moreno 877, 23<sup>rd</sup> Floor, (C1091AAQ)

Buenos Aires, Argentina

(Address of principal executive offices)

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Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

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**CRESUD S.A.C.I.F. and A**

**(THE COMPANY )**

**REPORT ON FORM 6-K**

Attached is a copy of the English translation of the Unaudited Financial Statements for the six-month period ended on December 31, 2004 and 2003.

**Cresud Sociedad Anónima**  
**Comercial, Inmobiliaria, Financiera**  
**y Agropecuaria**

Unaudited Financial Statements  
corresponding to the six-month period  
ended December 31, 2004 and 2003

**Cresud Sociedad Anónima**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria**  
**Unaudited Financial Statements**

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## Edgar Filing: CRESUD INC - Form 6-K

Name of the Company: **Cresud Sociedad Anónima**  
**Comercial, Inmobiliaria,**  
**Financiera y Agropecuaria**

Legal Address: Moreno 877, 23rd Floor  
Ciudad Autónoma de Buenos Aires

Principal Activity: Agriculture and livestock and real-estate

Financial statements for the period ended December 31, 2004 presented in comparative form with the previous year and with the same period of the previous year

Financial year N° 70 started on July 1, 2004

### DATES OF REGISTRATION AT THE PUBLIC REGISTRY OF COMMERCE

Of the by-laws: February 19, 1937  
Of the latest amendment: June 2, 1997  
Duration of the Company: June 6, 2082

Information on controlled companies in Note 2 to the unaudited consolidated Financial Statements

### CAPITAL STATUS ( Note 3 of unaudited basic financial statements)

#### SHARES

<u>Type of stock</u>	<u>Authorized</u>	<u>Subscribed</u>	<u>Paid-in</u>
	pesos	pesos	pesos
Ordinary certified shares of \$1 face value and 1 vote each	155,650,742	155,650,742	155,650,742

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Unaudited Consolidated Balance Sheet as at December 31, 2004, June 30, 2004 and December 31, 2003

	December 31, 2004 (Notes 1, 2 and 3)	June 30, 2004 (Notes 1, 2 and 3)	December 31, 2003 (Notes 1, 2 and 3)		December 31, 2004 (Notes 1, 2 and 3)	June 30, 2004 (Notes 1, 2 and 3)	December 31, 2003 (Notes 1, 2 and 3)
	Pesos	Pesos	Pesos		Pesos	Pesos	Pesos
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash and banks (Note 4.a.)	27,085,469	12,749,766	20,556,016	<b>Debts:</b>			
Investments (Note 4.b.)	2,358,471	1,874,997	2,472,098	Trade accounts payable (Note 4.f.)	11,675,837	10,840,177	7,678,783
Trade accounts receivable (Note 4.c.)	6,483,785	5,354,858	6,269,391	Loans (Note 4.g.)	38,606,380	8,090,261	1,383,511
Other receivables and prepaid expenses (Note 4.d.)	7,413,206	15,019,353	7,857,643	Salaries and social security payable (Note 4.h.)	895,492	1,475,373	780,615
Inventories (Note 4.e.)	45,751,060	35,441,885	32,367,196	Taxes payable (Note 4.i.)	4,494,052	2,206,532	1,394,101
<b>Total current assets</b>	<b>89,091,991</b>	<b>70,440,859</b>	<b>69,522,344</b>	Other debts (Note 4.j.)	10,758,911	6,689,562	1,283,383
				<b>Total Debts</b>	<b>66,430,672</b>	<b>29,301,905</b>	<b>12,520,393</b>
				<b>Total current liabilities</b>	<b>66,430,672</b>	<b>29,301,905</b>	<b>12,520,393</b>
<b>Non-current assets</b>							
Other receivables and prepaid expenses (Note 4.d.)	5,358,746	3,948,778	3,961,539	<b>Non-current liabilities</b>			
Inventories (Note 4.e.)	50,872,903	44,740,030	39,315,176	Taxes payable (Note 4.i.)	28,774,261	26,213,217	24,181,231
Investments (Note 4.b.)	291,220,422	260,419,568	206,067,742	Loans (Note 4.g.)	123,285,777	125,880,874	127,670,143
Other investments (Note 4.b.)	134,949,064	132,962,608	146,354,259	Other debts (Note 4.j.)	39,327	39,327	39,327
	163,458,765	160,026,473	149,839,384				

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Fixed assets,  
net (Schedule  
A)

Intangible assets (Schedule B)			123,212	<b>Total non-current liabilities</b>	152,099,365	152,133,418	151,890,701
<b>Subtotal Non-Current Assets</b>	645,859,900	602,097,457	545,661,312	<b>Total Liabilities</b>	218,530,037	181,435,323	164,411,094
Goodwill (Note 4.b.)	(36,326,481)	(25,869,346)	(19,931,610)	Minority interest	5,366	65,451	104,178
<b>Total Non-Current Assets</b>	609,533,419	576,228,111	525,729,702	<b>SHAREHOLDERS EQUITY</b>	480,090,007	465,168,196	430,736,774
<b>Total Assets</b>	698,625,410	646,668,970	595,252,046	<b>Total Liabilities and Shareholders Equity</b>	698,625,410	646,668,970	595,252,046

The accompanying notes and schedules are an integral part of these financial statements

Saúl Zang

First Vice-Chairman

serving as Acting Chairman



**Cresud Sociedad Anónima**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Unaudited Consolidated Statement of Income**

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

	<b>December 31, 2004</b> <b>(Notes 1, 2 and 3)</b>	<b>December 31, 2003</b> <b>(Notes 1, 2 and 3)</b>
	<b>Pesos</b>	<b>Pesos</b>
Sales		
Crops	11,236,161	8,793,868
Beef cattle	18,690,480	12,165,707
Milk	1,567,574	1,831,837
Feed Lot	1,390,251	4,398,817
Others	2,358,210	2,208,215
<b>Total Sales</b>	<b>35,242,676</b>	<b>29,398,444</b>
Cost of sales (Schedule F)		
Crops	(11,391,820)	(7,143,937)
Beef cattle	(14,691,109)	(9,124,948)
Milk	(876,965)	(396,276)
Feed Lot	(1,258,982)	(3,851,046)
Others	(580,398)	(671,997)
<b>Total cost of sales</b>	<b>(28,799,274)</b>	<b>(21,188,204)</b>
<b>Gross income</b>	<b>6,443,402</b>	<b>8,210,240</b>
Selling expenses (Schedule H)	(2,506,807)	(2,192,027)
Administrative expenses (Schedule H)	(3,132,965)	(3,546,056)
Net gain on sale of farms		1,669,470
Gain from inventory holdings (Schedule F)	6,254,786	1,345,036
<b>Operating income</b>	<b>7,058,416</b>	<b>5,486,663</b>
Financial results		
Generated by assets:		
Exchange differences and discounts	6,847	8,181,406
Interest income	222,693	122,269
Bad debts (Schedule E)		29,928
Reference stabilization index (CER)		(302,619)
Tax on debts and credits	(673,530)	(558,327)
Convertible Bonds purchase interest	5,473,411	5,846,354
Others	159,180	7,138

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	5,188,601	13,326,149
<b>Generated by liabilities:</b>		
Reference stabilization index (CER)	1,653	(2,795)
Interest expense	(102,488)	(4,734)
Financial expenses		
Convertible Bonds issued interest	(5,160,478)	(5,625,121)
Others	(1,158,260)	(778,532)
Exchange differences and discounts	(963,859)	(6,312,762)
	<u>(7,383,432)</u>	<u>(12,723,944)</u>
<b>Other expenses</b>		
Gains from others fixed assets sales	22,061	251,561
Others	(3,328,555)	5,434
	<u>(3,306,494)</u>	<u>256,995</u>
Income from related companies	14,087,524	2,102,625
Management fees	(1,059,305)	(529,129)
	<u>14,585,310</u>	<u>7,919,359</u>
<b>Income before income tax and minority interest</b>		
Income tax expense	(5,111,658)	(3,259,735)
Minority interest	60,085	102,532
	<u>9,533,737</u>	<u>4,762,156</u>
<b>Net income for the period</b>		

The accompanying notes and schedules are an integral part of these financial statements

Saúl Zang

First Vice-Chairman

serving as Acting Chairman

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Unaudited Consolidated Statement of Cash Flow

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

	December 31, 2004 (Notes 1, 2 and 3)	December 31, 2003 (Notes 1, 2 and 3)
	Pesos	Pesos
<b>Changes in funds</b>		
Funds at the beginning of the year	13,138,533	21,837,823
Funds at the end of the period	27,831,763	21,376,305
Net increase (decrease) in funds	14,693,230	(461,518)
<b>Causes of changes in funds</b>		
<b>Operations activities</b>		
Income for the period	9,533,737	4,762,156
Liabilities interest	5,911,384	5,625,120
Income tax	5,111,658	3,047,982
<b>Adjustments made to reach net funds from operations activities</b>		
Results from interest in related companies	(14,087,524)	(2,102,625)
Minority interest	(60,085)	(102,532)
Increase in allowances and reserves	3,648,938	2,306,749
Amortization and depreciation	1,765,735	1,837,383
Results from inventory holdings	(6,254,786)	(1,345,036)
Financial results	(4,817,103)	(4,677,012)
Result from sale of fixed assets	(22,061)	(1,921,031)
<b>Changes in operating assets and liabilities</b>		
Increase in current investments	5,362,711	5,707,778
(Decrease) increase in trade accounts receivable	(1,128,927)	1,496,244
Increase in other receivables	6,368,304	(4,567,719)
Decrease in inventories	(10,691,110)	(9,272,155)
Decrease in social securities contributions and taxes payable and advances to customers	(842,975)	(3,206,887)
Decrease in trade accounts payable	(1,753,973)	(2,618,599)
Dividends collected	981,315	1,104,139
Increase (decrease) in other debts	3,010,044	(2,696,206)
<b>Net fund provided by (applied to) operations activities</b>	<b>2,035,282</b>	<b>(6,622,251)</b>
<b>Investment activities</b>		
Increase in permanent investments	(1,502,678)	(1,199,672)
Increase in interest in related companies	(7,418,437)	(5,204,531)
Acquisition and upgrading of fixed assets	(4,919,680)	(3,217,599)
Sale of fixed assets	247,562	4,677,982
<b>Net funds applied to investment activities</b>	<b>(13,593,233)</b>	<b>(4,943,820)</b>

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<b>Financing activities</b>		
Exercise of Warrant	4,474,246	19,258,074
Dividends paid	(3,000,000)	(1,500,000)
Exercise of rights offering on treasury stock	173,200	319,437
Increase in financial loans	36,468,450	
Decrease in financial loans	(11,864,715)	(5,667,108)
Issuance expenses of Convertible Bonds		(1,305,850)
<b>Net funds provided by financing activities</b>	<b>26,251,181</b>	<b>11,104,553</b>
<b>Net increase (decrease) in funds</b>	<b>14,693,230</b>	<b>(461,518)</b>
<b>Items not involving changes in funds</b>		
Transfer of inventory to fixed assets	503,848	37,228
Repayment of financial loans through issue of stock by exercise of conversion right	3,740,628	16,097,982
<b>Complementary information</b>		
Interest paid	5,108,487	5,669,516
Income tax expense paid	385,077	854,224

The accompanying notes and schedules are an integral part of these financial statements

Saúl Zang

First Vice-Chairman

serving as Acting Chairman

**Cresud Sociedad Anónima,**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria**  
**and Subsidiaries**  
**Notes to the Unaudited Consolidated Financial Statements**

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

**NOTE 1: BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS**

As a consequence of the application of General Resolutions No. 368/01, 434/03, 441/03 and 459/04 of the Comisión Nacional de Valores, which require that consolidated Financial Statements be presented as established by Technical Resolution No. 21 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas, the Balance Sheet as of December 31, 2004 and 2003 and the Statements of Income and the Statements of Cash Flows for the fiscal periods then ended were consolidated on a line by line basis with the financial statements of such companies in which it holds a majority of the voting shares, by application of the new rules, discontinuation of adjustment for inflation and application of proportional consolidation for investments in which it has joint control (see Note 1.b and 1.c to the unaudited basic financial statements).

As from this period, the Company has applied Technical Resolution No. 21 as concerns the proportional consolidation with Cactus Argentina S.A. on a 50% basis on account of the joint control held, and applied the same percentage for elimination of balances existing between them.

The financial statements of the subsidiary companies Inversiones Ganaderas S.A., Futuros y Opciones.Com S.A. and Cactus Argentina S.A. as of December 31, 2004 and 2003 have been used in order to determine the investment at its equity value, line by line consolidation and proportional consolidation.

For purposes of comparability, reclassifications have been made on the information at December 31, 2003 and June 30, 2004.

These Financial Statements and the corresponding notes and schedules are prepared in Argentine Pesos.

**NOTE 2: CORPORATE CONTROL**

The Company's interest in other companies is shown in the following table.

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<u>COMPANY</u>	<u>PERCENTAGE OF VOTING SHARES OWNED</u>
Inversiones Ganaderas S.A.	99.99
Futuros y Opciones.Com S.A.	70.00
<b>JOINT CONTROL</b>	
Cactus Argentina S.A.	50.00

**NOTE 3: SIGNIFICANT ACCOUNTING POLICIES**

The Financial Statements of the Subsidiary Companies mentioned in Note 2 have been prepared based on accounting principles consistent with those followed by Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria for the preparation of its Financial Statements, as detailed in Note 2 of the unaudited basic financial statements.

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 4: Details of consolidated balance sheet and consolidated statement of income accounts****a. Cash and banks**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
Cash	65,568	77,971	74,323
Foreign currency (Schedule G)	294,718	54,211	37,820
Patacones currency	73	39	
Local currency checking account	631,400	4,961,714	1,207,040
Patacones currency checking account	22	22	22
Foreign currency checking account (Schedule G)	9,055,590	1,220,084	18,970,354
Local currency saving account	9,897	12,295	18,855
Foreign currency saving account (Schedule G)	16,610,427	5,949,506	32,424
Checks to be deposited	417,774	473,924	215,178
	<u>27,085,469</u>	<u>12,749,766</u>	<u>20,556,016</u>

**b. Investments and Goodwill**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Investment</b>			
Investment (Schedule C and G)	2,358,471	1,874,997	2,472,098
	<u>2,358,471</u>	<u>1,874,997</u>	<u>2,472,098</u>
<b>Investment</b>			
Investment from related companies (Schedule C)	291,220,422	260,419,568	206,067,742
	<u>291,220,422</u>	<u>260,419,568</u>	<u>206,067,742</u>
<b>Other investments</b>			
Other investments (Schedule C and G)	134,949,064	132,962,608	146,354,259

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	134,949,064	132,962,608	146,354,259
<b>Goodwill</b>			
Goodwill (Schedule C)	(36,326,481)	(25,869,346)	(19,931,610)
	(36,326,481)	(25,869,346)	(19,931,610)



## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 4:** (Continued)

## c. Trade accounts receivable

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Accounts receivable in local currency	5,885,829	5,579,474	6,510,559
Less:			
Provision for defaulting debtors (Schedule E)	(373,535)	(412,067)	(449,197)
Accounts receivable in foreign currency (Schedule G)	956,193	3,983	78,202
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Cactus Argentina S.A.	15,298	95,472	71,453
Alto Palermo S.A.		87,359	40,003
IRSA Inversiones y Representaciones Sociedad Anónima		637	18,371
	<u>6,483,785</u>	<u>5,354,858</u>	<u>6,269,391</u>

## d. Other receivables and prepaid expenses

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Prepaid leases	30,727	4,465,136	32,016
Tax on Minimum Hypothetical Income (Note 2.p.)	8,368	61,086	61,607
Guarantee deposits and premiums (Schedule G)	315,433	2,188,998	1,448,794
Secured by mortgage (Schedule G)	1,055,695	1,033,997	1,061,931
Prepaid expenses	1,113,756	897,192	446,759
Expenses to recover			39,387
Deferred tax			30,377
Tax prepayments (net of accrual)	3,610,634	3,793,343	2,966,567
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Cactus Argentina S.A.	677,164	673,200	668,993
Agro-Uranga S.A.	234,279		
Credits to employees	35,542	37,751	43,020
Shareholders		1,711,833	455,583
Others (Schedule G)	331,608	156,817	602,609
	<u></u>	<u></u>	<u></u>

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	7,413,206	15,019,353	7,857,643
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Non-current</b>			
Secured by mortgage (Schedule G)			1,008,000
Value Added Tax	5,180,327	3,847,020	2,129,515
Tax on Minimum Hypothetical Income	99,148	56,450	815,556
Deferred tax	76,668	40,193	
Others	2,603	5,115	8,468
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	5,358,746	3,948,778	3,961,539
	<u>                    </u>	<u>                    </u>	<u>                    </u>

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 4:** (Continued)**e. Inventories**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Livestock	16,954,543	18,829,580	15,664,891
Crops	4,803,409	8,639,910	3,782,649
Unharvested crops	20,090,681	1,603,897	9,374,173
Seeds and fodder	170,057	241,516	139,344
Materials and others	3,410,623	4,686,649	2,141,665
Advances to suppliers	321,747	1,440,333	1,264,474
	<u>45,751,060</u>	<u>35,441,885</u>	<u>32,367,196</u>
<b>Non-Current</b>			
Livestock	50,872,903	44,740,030	39,315,176
	<u>50,872,903</u>	<u>44,740,030</u>	<u>39,315,176</u>

**f. Trade accounts payable**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Suppliers in local currency	4,178,801	4,746,787	2,732,591
Suppliers in foreign currency (Schedule G)	2,839,943	1,133,055	993,622
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Inversora Bolívar S.A.	6,341	5,349	
Alto Palermo S.A.	44,233	175,133	38,931
IRSA Inversiones y Representaciones S.A.	116,259	1,108	35,378
Cactus Argentina S.A.	265,108	943,989	224,345
Estudio Zang, Bergel & Viñes	23,486	81,646	15,757
Fundación IRSA	1,177,988	1,177,988	460,642
Directors	43,543	3,471	967
Accrual for other expenses (Schedule G)	2,685,005	2,358,474	2,975,595
Accrual for cereal expenses	295,130	213,177	200,955
	<u>11,675,837</u>	<u>10,840,177</u>	<u>7,678,783</u>



## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 4:** (Continued)g. **Loans**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Local financial loans (Note 16) (Schedule G)	37,220,355	6,757,677	
Convertible Bonds 2007 Interest payable (Schedule G)	592,928	589,239	612,819
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Shareholders	792,845	740,021	767,329
Directors	252	3,324	3,363
	<u>38,606,380</u>	<u>8,090,261</u>	<u>1,383,511</u>
<b>Non Current</b>			
Convertible Bonds 2007 (Schedule G)	53,363,537	56,416,538	57,451,821
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Shareholders	71,356,061	70,853,048	71,937,067
Directors	22,640	318,281	315,268
Convertible Bonds 2007 expenses	(1,456,461)	(1,706,993)	(2,034,013)
	<u>123,285,777</u>	<u>125,880,874</u>	<u>127,670,143</u>

h. **Salaries and social security payable**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Vacation, statutory annual bonus allowance	687,495	1,070,155	482,590
Social security administration	192,804	196,017	163,380
Salaries payable	1,642	192,632	125,796
Health care scheme	2,657	2,533	1,979
Others	10,894	14,036	6,870
	<u>                  </u>	<u>                  </u>	<u>                  </u>

	895,492	1,475,373	780,615
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## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 4:** (Continued)i. **Taxes payable**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Accrual for income tax	2,669,428	4,648,244	258,129
Advances to Income tax		(2,808,338)	
Tax on Minimum Hypothetical Income	102,270	24,135	788,336
Value added tax	21,445	17,962	106,181
Property tax payable	80,613	103,284	89,746
Taxes withheld for income tax	68,500	188,125	35,059
Sales tax payable	(183,098)	91,306	170,066
Taxes withheld-Gross sales tax payable	128,575	(80,728)	(87,300)
Taxes withheld-Value added tax payable	57	18,932	31,485
Others (1)	1,606,262	3,610	2,399
	<u>4,494,052</u>	<u>2,206,532</u>	<u>1,394,101</u>
<b>Non-current</b>			
Deferred tax	28,774,261	26,213,217	24,181,231
	<u>28,774,261</u>	<u>26,213,217</u>	<u>24,181,231</u>

(1) Including Personal Assets Tax of shareholders.

j. **Other debts**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Advances to customers (Schedule G)	8,718,400	4,432,500	
Accrual for Management fees	1,059,305	1,537,173	529,129
Loan to FYO minority shareholders	134,196	134,196	134,196
Cactus Argentina S.A.	102,865		
Cactus Feeders Inc.	512,092	550,177	610,057

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Others	232,053	35,516	10,001
	<u>10,758,911</u>	<u>6,689,562</u>	<u>1,283,383</u>
<b>Non-current</b>			
Guarantee deposit	1,000	1,000	1,000
Allowances	38,327	38,327	38,327
	<u>39,327</u>	<u>39,327</u>	<u>39,327</u>



## Cresud Sociedad Anonina

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 5:**

## a) Assets based on their estimated collection or payment term (in pesos)

Estimated collection or payment term	Current and non-current						Other receivables and prepaid expenses		
	investment			Trade accounts receivable			prepaid expenses		
	December 31, 2004	June 30, 2004	December 31, 2003	December 31, 2004	June 30, 2004	December 31, 2003	December 31, 2004	June 30, 2004	December 31, 2003
2004/2003 financial			1,560,891			6,125,771			
2004/2003 financial									
2005/2004 financial					4,246,050			3,271,016	
2005/2004 financial		1,388,504						100,699	
2005/2004 financial				6,451,657			(40,648)	296,954	
2005/2004 financial	1,499,204						623,767	307,543	
2006/2005 financial							7,090		
2006/2005 financial							1,828,422		
2006/2005 financial							1,703		
2006/2005 financial							99,148	17,154	
2007/2006 financial								4,765	
2007/2006 financial									
2007/2006 financial									
2008/2007 financial	134,928,347	132,941,891	146,333,542						
Estimated current term	859,267	486,493	911,207	32,128	1,108,808	143,620	4,994,575	11,043,141	
Estimated non-current term	20,717	20,717	20,717				5,257,895	3,926,859	

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137,307,535 134,837,605 148,826,357 6,483,785 5,354,858 6,269,391 12,771,952 18,968,131

b) Assets classified according to the interest rate that they accrued (in pesos)

Interest rate that accrued	Current and non-current investment			Trade accounts receivable			Other receivables and prepaid expenses		
	June 30, 2004		December 31, 2003	June 30, 2004		December 31, 2003	June 30, 2004		December 31, 2003
	December 31, 2004	June 30, 2004	December 31, 2003	December 31, 2004	June 30, 2004	December 31, 2003	December 31, 2004	June 30, 2004	December 31, 2003
Variable interest rate	134,928,347	132,941,891	146,333,542				870,069	3,535,277	
Fixed interest rate	859,267	486,493	911,207				1,912,383	2,307,257	
Interest bearing	1,519,921	1,409,221	1,581,608	6,483,785	5,354,858	6,269,391	9,989,500	13,125,597	
	137,307,535	134,837,605	148,826,357	6,483,785	5,354,858	6,269,391	12,771,952	18,968,131	18,968,131

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 5:**

a) Liabilities based on their estimated collection or payment term (in pesos)

Based on their estimated collection or payment term	Salaries and social														
	Trade accounts payable				Loans		security payable			Taxes payable			Other debts		
	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003
3 qtr. financial			7,656,361			1,383,511			780,615			1,118,847			545,000
3 qtr. financial															2,000
4 qtr. financial	11,750,406			6,757,677			1,406,519			342,491			1,552,956		2,000
4 qtr. financial		3,471	967		1,332,584		68,854			1,864,041	265,098			11,498	2,000
4 qtr. financial	11,207,197			22,353,572		531,148				227,040			1,948,431	7,666	
4 qtr. financial				1,386,025			23,670			1,594,461			5,663,591	4,585,412	
5 qtr. financial				14,866,783			340,674								
5 qtr. financial									2,672,551				1,747,984		
5 qtr. financial															

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qtr. 05 ncial															
qtr. 08 ncial															
qtr. 06 ncial															
qtr. 06 ncial															
qtr. 07 ncial															
rdue n no ed															
ent term n no ed	468,640	(913,700)	21,455												
-current															
l	11,675,837	10,840,177	7,678,783	161,892,157	133,971,135	129,053,654	895,492	1,475,373	780,615	33,268,313	28,419,749	25,575,332	10,798,238	6,728,889	1,322,000

b) Liabilities classified according to the interest rate that they accrued (in pesos)

	Salaries and social														
	Trade accounts payable				Loans		security payable			Taxes payable			Other debts		
	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003
ixed rest rate				161,962,593	132,638,551	127,670,143							1,904,861	2,349,579	148,000
variable rest rate													100,133		
-interest ing	11,675,837	10,840,177	7,678,783	(70,436)	1,332,584	1,383,511	895,492	1,475,373	780,615	33,268,313	28,419,749	25,575,332	8,793,244	4,379,310	1,174,000
l	11,675,837	10,840,177	7,678,783	161,892,157	133,971,135	129,053,654	895,492	1,475,373	780,615	33,268,313	28,419,749	25,575,332	10,798,238	6,728,889	1,322,000

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 6: EARNINGS PER SHARE**

Following is a conciliation between the average appraised ordinary stock in circulation and the average appraised diluted ordinary stock. The last one has been determined considering the possibility that the bearers of convertible bonds into company's ordinary stock for up to an amount of US\$ 50,000,000 mentioned in Note 14 of the basic financial statements, exercise their right to convert into stock the titles they bear.

	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Average appraised stock in circulation	151,044,430	126,260,350
Average appraised diluted ordinary stock	321,214,392	321,214,392
	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Earnings for the calculation of basic earnings per share	9,533,737	4,762,156
Exchange differences	895,000	6,351,172
Financing expenses	5,401,152	6,385,641
Income tax	(2,055,220)	(4,157,613)
Management fees	(424,093)	(857,920)
Earnings for the calculation of diluted earnings per share	13,350,576	12,483,436
<b><u>BASIC Earnings per share</u></b>	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Earnings	9,533,737	4,762,156
Number of shares	151,044,430	126,260,350
Earnings per share	0.06	0.04
<b><u>DILUTED Earnings per share</u></b>	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Earnings	13,350,576	12,483,436
Number of shares	321,214,392	321,214,392
Earnings per share	0.04	0.04

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 7: SEGMENT INFORMATION**

As of December 31, 2004:

Description	Crops	Beed Cattle	Milk	Feed Lot	Others	Without especific allocation	Total
Sales	11,236,161	18,690,480	1,567,574	1,390,251	2,358,210		<b>35,242,676</b>
Assets	90,698,881	124,725,397	10,625,415	4,299,093	885,413	467,391,211	<b>698,625,410</b>
Liabilities	6,225,253	1,635,917	132,597	1,106,071	324,540	209,105,659	<b>218,530,037</b>
Fixed asset additions	1,005,637	675,197	1,084,530	104,821	28,354	2,021,141	<b>4,919,680</b>
Depreciation of fixed assets	696,971	495,815	94,141	149,890	34,469	294,449	<b>1,765,735</b>
Income from related companies	387,458	12,777	55,212		254,052	13,378,025	<b>14,087,524</b>

As of December 31, 2003:

Description	Crops	Beed Cattle	Milk	Feed Lot	Others	Without especific allocation	Total
Sales	8,793,868	12,165,707	1,831,837	4,398,817	2,208,215		<b>29,398,444</b>
Assets	93,874,367	133,351,330	10,086,765	5,580,174	1,259,864	351,099,546	<b>595,252,046</b>
Liabilities	4,063,420	1,573,546	9,024	2,001,098	973,166	155,790,840	<b>164,411,094</b>
Fixed asset additions	2,291,544	453,614	66,356	175,677	63,103	167,305	<b>3,217,599</b>
Depreciation of fixed assets	728,932	582,124	48,862	113,826	25,699	91,515	<b>1,590,958</b>
Amortization of intangible assets					246,425		<b>246,425</b>
Income from related companies	514,687	23,415	70,977		(329,840)	1,823,386	<b>2,102,625</b>

**NOTE 8: SALE OF FARMS**

On July 29, 2003, Inversiones Ganaderas S.A. sold to Las Rejas S.A. three properties owned by it located in the district of Santo Domingo, department of La Paz, Province of Catamarca, with a total area of 5,997 hectares, for an amount of US\$ 430,000, fully paid as of the date of execution of the deed. This sale generated a gain of Ps. 583,406 (Pesos Five hundred eighty three thousand four hundred and six).

**Cresud Sociedad Anónima Comercial,  
Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Unaudited Consolidated Fixed Assets**

Corresponding to the period beginning as from July 1, 2004 and ended on December 31, 2004

comparative with the year ended on June 30, 2004 and with the period ended on December 31, 2003

(Notes 1, 2, and 3)

Schedule A

Principal Account	Value at the beginning of the year	Additions and/or transfers	Deductions and/or transfers	Value at the end of period/year	Rate %	Depreciation				Net carrying value at December 31, 2004	Net carrying value at June 30, 2004	Net carrying value at December 31, 2003
						Accumulated at the beginning of the year	Decrease of the period/ year	Current period/ year	Accumulated at the end of period/year			
Real estate	124,620,756	352,353		124,973,109					124,973,109	124,620,756	121,966,860	
Wire fences	5,253,545			5,253,545	3	1,228,003		86,213	1,314,216	3,939,329	4,025,542	4,111,780
Watering troughs	3,712,614	999		3,713,613	5	1,032,887		90,391	1,123,278	2,590,335	2,679,727	2,735,600
Alfalfa fields and meadows	2,169,597	316,797		2,486,394	12-25-50	1,443,928		225,494	1,669,422	816,972	725,669	907,600
Buildings and constructions	5,676,309	118,986		5,795,295	2	1,980,142		50,466	2,030,608	3,764,687	3,696,167	3,644,150
Machinery	8,432,336	9,335	34,177	8,407,494	10	5,722,682	29,397	392,031	6,085,316	2,322,178	2,709,654	3,113,980
Vehicles	1,345,118	249,588	105,098	1,489,608	20	695,065	62,006	129,803	762,862	726,746	650,053	417,900
Tools	193,361	1,450		194,811	10	130,040		7,350	137,390	57,421	63,321	66,180
Furniture and equipment	1,048,119	41,473		1,089,592	10	669,664		54,305	723,969	365,623	378,455	357,200
Corral and leading lanes	652,931	3,667		656,598	3	131,165		10,833	141,998	514,600	521,766	519,500
Roads	1,191,255	2,146		1,193,401	10	668,531		59,692	728,223	465,178	522,724	585,100
Facilities	7,485,195	19,163	32,946	7,471,412	10-20-33	3,589,058		390,334	3,979,392	3,492,020	3,896,137	2,878,100
Computer equipment	1,393,473	210,751	296	1,603,928	20	1,110,169	296	92,708	1,202,581	401,347	283,304	278,200
Sho plants	1,169,114			1,169,114	5	315,645		31,537	347,182	821,932	853,469	882,100
Seed Lot	3,815,528	104,821		3,920,349		1,176,189		144,578	1,320,767	2,599,582	2,639,339	2,480,900
Constructions in progress	11,585,564	3,487,918		15,073,482						15,073,482	11,585,564	4,876,000
Advances to suppliers	174,826	504,081	144,683	534,224						534,224	174,826	17,800
<b>Total at December 31, 2004</b>	<b>179,919,641</b>	<b>5,423,528</b>	<b>317,200</b>	<b>185,025,969</b>		<b>19,893,168</b>	<b>91,699</b>	<b>1,765,735</b>	<b>21,567,204</b>	<b>163,458,765</b>		
<b>Total at June 30, 2004</b>	<b>170,555,220</b>	<b>15,571,176</b>	<b>6,206,755</b>	<b>179,919,641</b>		<b>19,622,754</b>	<b>3,297,090</b>	<b>3,567,504</b>	<b>19,893,168</b>		<b>160,026,473</b>	
<b>Total at December 31, 2003</b>	<b>170,555,220</b>	<b>3,254,827</b>	<b>4,851,337</b>	<b>168,958,710</b>		<b>19,622,754</b>	<b>2,094,386</b>	<b>1,590,958</b>	<b>19,119,326</b>			<b>149,839,300</b>





**Cresud Sociedad Anónima Comercial,  
Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Unaudited Consolidated Intangible Assets**

Corresponding to the period beginning as from July 1, 2004 and ended on December 31, 2004  
comparative with the year ended on June 30, 2004 and with the period ended on December 31, 2003

(Notes 1, 2, and 3)

Schedule B

<u>Principal Account</u>	<u>Amortization</u>				Net carrying value at December 31, 2004	Net carrying value at June 30, 2004	Net carrying value at December 31, 2003	
	Value at the beginning of the year and end of the period	Accumulated at the beginning of the year	Current year					Accumulated at the end of the period/ year
	Pesos	Pesos	Rate %	Amount Pesos				Pesos
Development expenditures	1,410,368	1,410,368	33.33		1,410,368		117,532	
Organization expenses	448,818	448 818			448 818			
Brands and patents	18,938	18,938			18,938		5,680	
<b>Total at December 31, 2004</b>	<b>1,878,124</b>	<b>1,878,124</b>			<b>1,878,124</b>			
<b>Total at June 30, 2004</b>	<b>1,878,124</b>	<b>1,508,487</b>		<b>369,637</b>	<b>1,878,124</b>			
<b>Total at December 31, 2003</b>	<b>1,878,124</b>	<b>1,508,487</b>		<b>246,425</b>	<b>1,754,912</b>		<b>123,212</b>	

**Cresud Sociedad Anónima Comercial,  
Inmobiliaria, Financiera y Agropecuaria and Subsidiaries  
Unaudited Consolidated Investments**

Corresponding to the period beginning as from July 1, 2004

and ended on December 31, 2004

comparative with the year ended on June 30, 2004 and with the period ended on December 31, 2003

(Notes 1, 2, and 3)

**Schedule C**

**INFORMATION ON THE ISSUER**

**Latest financial statements**

Type and characteristics of the securities	Amount	Value at			Market value	Principal activity	Latest financial statements		
		Value at December 31, 2004	Value at June 30, 2004	Value at December 31, 2003			Capital	Income for the period	Shareholders' Equity
		Pesos	Pesos	Pesos			Pesos	Pesos	Pesos
<b>Current Investments</b>									
<b>Mutual Funds</b>									
Fondo especial Banco Rio in pesos	369,108	83,626	57,122		0.223842				
Fondo plazo fijo Banco Rio in dollars	1,862	2,523	4,081	3,999	2.295653				
		<u>86,149</u>	<u>61,203</u>	<u>3,999</u>					
<b>Notes and Convertible Bonds</b>									
<b>Interest of Convertible Bonds 2007- IRSA (US\$)</b>									
<b>Subsidiaries, related companies Law N° 19,550</b>									
<b>Section 33 and related parties</b>									
SA Inversiones y Representaciones SA		1,499,204	1,388,504	1,560,891					
Bonos Global 2010	110,000	112,343	97,096	90,288	1.021300				
Bon Pro 1	157,647	630	630	630	0.003996				
		<u>1,612,177</u>	<u>1,486,230</u>	<u>1,651,809</u>					
<b>Deposits in local banks in pesos</b>									
				816,290					
				<u>816,290</u>					

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Deposits in foreign banks in dollars	660,145	327,564			
	660,145	327,564			
Total current investments	2,358,471	1,874,997	2,472,098		
<b>Non-current investments</b>					
<b>Related companies Law N° 19,550 Section 33</b>					
PRO-URANGA S. A.				Agricultural and unlisted livestock	2,500,000 1,551,749 13,035,300
Shares	893,069	4,523,238	5,230,031	4,313,051	
Contribution on account of future subscriptions of shares		7,865	7,865	7,865	
Other value of property	11,179,150	11,179,150	11,179,150		
	15,710,253	16,417,046	15,500,066		
SA Inversiones y Representaciones S.A.				listed Real state	261,520,248 56,756,060 1,040,570,000
Shares	69,242,276	275,510,169	244,002,522	190,567,676	
	275,510,169	244,002,522	190,567,676		
Subtotal	291,220,422	260,419,568	206,067,742		
<b>Other Investments</b>					
Convertible Bonds 2007 - IRSA (US\$)					
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties.					
SA Inversiones y Representaciones S.A.	45,293,168	134,928,347	132,941,891	146,333,542	
Corolan		20,717	20,717	20,717	unlisted
Subtotal	134,949,064	132,962,608	146,354,259		
<b>Goodwill</b>					
Goodwill		329,838	659,676	989,514	
SA negative goodwill		(36,656,319)	(26,529,022)	(20,921,124)	
Subtotal	(36,326,481)	(25,869,346)	(19,931,610)		
Total non-current investments	389,843,005	367,512,830	332,490,391		

**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Unaudited Consolidated Allowances**

Corresponding to the period beginning as from July 1, 2004 and ended on December 31, 2004  
comparative with the year ended on June 30, 2004 and with the period ended on December 31, 2003

(Notes 1, 2, and 3 )

**Schedule E**

<b>Item</b>	<b>Opening balances</b>	<b>Deductions</b>	<b>Value at December 31, 2004</b>	<b>Value at June 30, 2004</b>	<b>Value at December 31, 2003</b>
	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>
<b>Deducted from asset</b>					
Defaulting debtors	412,067	(38,532)	373,535	412,067	449,197
<b>Included in liabilities</b>					
Allowances					
For pending lawsuits <sup>(1)</sup>	38,327		38,327	38,327	38,327
<b>Total at December 31, 2004</b>	<b>450,394</b>	<b>(38,532)</b>	<b>411,862</b>		
<b>Total at June 30, 2004</b>	<b>517,452</b>	<b>(67,058)</b>		<b>450,394</b>	
<b>Total at December 31, 2003</b>	<b>517,452</b>	<b>(29,928)</b>			<b>487,524</b>

<sup>(1)</sup> Included in Non-Current Other debts

**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Unaudited Consolidated Cost of sales**

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

(Notes 1, 2, and 3)

**Schedule F**

Crops		Beef cattle		Milk		Others		Others		Total	
December	December	December	December	December	December	December	December	December	December	December 31, 2004	December 31, 2003
31, 2004	31, 2003	31, 2004	31, 2003	31, 2004	31, 2003	31, 2004	31, 2003	31, 2004	31, 2003	Pesos	Pesos
Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos
		59,418,980	48,848,045	4,150,630	2,294,684					63,569,610	51,142,729
8,639,910	6,301,776									8,639,910	6,301,776
1,603,897	1,112,230									1,603,897	1,112,230
		134,870	112,516	103,508	58,969			3,138		241,516	171,485
3,842,219	1,222,255			44,982	33,362	601,626	145,137	197,822	246,069	4,686,649	1,646,823
14,086,026	8,636,261	59,553,850	48,960,561	4,299,120	2,387,015	601,626	145,137	200,960	246,069	78,741,582	60,000,000
		5,995,616	1,115,586	259,170	229,450					6,254,786	
2,088,522	753,010					57,784				2,146,306	
(149,403)	(164,529)	(35)	33,580				(64,832)	(23,501)		(172,939)	
(464,153)	(35,860)							(39,695)	(1,367)	(503,848)	
(6,646,273)	(2,783,694)	(136,871)	(149,777)	(376,780)	(204,552)			(262,674)	(283,890)	(7,422,598)	(6,000,000)
25,562,280	11,876,012	101,950	139,734	(101,950)	(139,734)	537,075	3,942,326	416,257	277,057	30,031,783	20,000,000

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H)	4,562,016	3,397,918	9,535,065	6,660,866	976,650	933,330	389,831	331,666	562,856	651,479		16,026,418		1
s of														
			(63,387,666)	(51,726,196)	(4,439,780)	(3,253,871)						(67,827,446)		(54,980,067)
	(4,803,409)	(3,782,649)										(4,803,409)		(3,782,649)
d														
	(20,090,681)	(9,374,173)										(20,090,681)		(9,374,173)
			(88,843)	(62,725)	(78,055)	(76,619)			(3,159)			(170,057)		(139,344)
	(2,753,105)	(1,378,359)			(59,538)	(42,704)	(327,334)	(503,251)	(270,646)	(217,351)	(3,410,623)	(96,302,216)		(2,141,665)
	11,391,820	7,143,937	14,691,109	9,124,948	876,965	396,276	1,258,982	3,851,046	580,398	671,997		20,799,274		2

**Cresud Sociedad Anónima, Comercial,**  
**Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**  
**Unaudited Consolidated Foreign currency assets and liabilities**

Corresponding to the period beginning as from July 1, 2004

and ended on December 31, 2004

comparative with the year ended on June 30, 2004 and with the period ended on December 31, 2003

(Notes 1, 2, and 3)

Schedule G

Item	December 31, 2004			June 30, 2004		December 31, 2003	
	Type and amount of foreign currency	Current exchange rate	Amount in local currency	Type and amount of foreign currency	Amount in local currency	Type and amount of foreign	
		Pesos	Pesos		Pesos	currency	Pesos
<b>Current Assets</b>							
Cash and banks							
Cash and banks	US\$ 8,833,186	2.94	25,960,735	US\$ 2,475,600	7,223,801	US\$ 6,611,319	19,040,598
Investments:							
Mutual funds	US\$ 858	2.94	2,523	US\$ 1,399	4,081	US\$ 1,389	3,999
Interest of Convertible Bonds 2007-IRSA							
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:							
IRSA Inversiones y Representaciones							
Sociedad Anónima	US\$ 503,257	2.98	1,499,204	US\$ 469,406	1,388,504	US\$ 541,976	1,560,891
Deposits in local banks	US\$	2.94		US\$ 112,256	327,564	US\$ 175,210	504,605
Deposits in foreign banks	US\$ 224,616	2.94	660,145	US\$		US\$	
Trade accounts receivable							
Accounts receivable	US\$ 325,346	2.94	956,193	US\$ 1,365	3,983	US\$ 27,153	78,202
Other receivables and prepaid expenses:							
Secured by mortgages	US\$ 359,202	2.94	1,055,695	US\$ 354,351	1,033,997	US\$ 368,726	1,061,931
Guarantee deposits	US\$ 107,327	2.94	315,433	US\$ 750,171	2,188,998	US\$ 502,324	1,446,694
<b>Non Current Assets</b>							
Other receivables and prepaid expenses:							
Secured by mortgages	US\$			US\$		US\$ 350,000	1,008,000

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<b>Investments:</b>							
Convertible Bonds							
2007-IRSA							
Subsidiaries related companies Law N° 19,550							
Section 33 and related parties:							
IRSA Inversiones y Representaciones							
Sociedad Anónima							
	US\$ 45,293,168	2.98	134,928,347	US\$ 44,943,168	132,941,891	US\$ 49,943,188	146,333,542
<b>Total Assets</b>	<b>US\$ 55,646,960</b>		<b>165,378,275</b>	<b>US\$ 49,107,716</b>	<b>145,112,819</b>	<b>US\$ 58,521,285</b>	<b>171,038,462</b>
<b>Current liabilities</b>							
Trade account payable:							
Suppliers							
	US\$ 953,321	2.98	2,839,943	US\$ 383,048	1,133,055	US\$ 339,120	993,622
Accrual for other expenses							
	US\$ 870,929	2.98	2,129,666	US\$ 499,662	1,477,683	US\$ 155,191	454,710
Loans:							
Local financial loans							
	US\$ 4,068,000	2.98	12,118,572	US\$		US\$	
Interest of Convertible Bonds 2007							
	US\$ 199,036	2.98	592,928	US\$ 199,202	589,239	US\$ 209,153	612,819
Subsidiaries, related companies Law N° 19,550							
Section 33 and related parties:							
Shareholders							
	US\$ 266,145	2.98	792,845	US\$ 250,176	740,021	US\$ 261,887	767,329
Directors							
	US\$ 85	2.98	252	US\$ 1,124	3,324	US\$ 1,148	3,363
Other debts							
Advances to customers							
	US\$ 1,411,516	2.98	4,204,906	US\$ 1,500,000	4,432,500	US\$	
Subsidiaries, related companies Law N° 19,550							
Section 33 and related parties:							
Cactus Argentina S.A.							
	US\$ 70,000	2.94	205,730	US\$		US\$	
Cactus Feeders Inc.							
	US\$ 13,961	2.98	41,590	US\$ 13,263	39,231	US\$ 9,076	35,670
<b>Non-current liabilities</b>							
Loans:							
Convertible Bonds 2007							
	US\$ 17,913,238	2.98	53,363,537	US\$ 19,072,528	56,416,538	US\$ 19,608,130	57,451,821
Subsidiaries, related companies Law N° 19,550							
Section 33 and related parties:							
Shareholders							
	US\$ 23,953,025	2.98	71,356,061	US\$ 23,953,025	70,853,048	US\$ 24,551,900	71,937,067
Directors							
	US\$ 7,600	2.98	22,640	US\$ 107,600	318,281	US\$ 107,600	315,268
<b>Total Liabilities</b>	<b>US\$ 49,726,856</b>		<b>147,668,670</b>	<b>US\$ 45,979,628</b>	<b>136,002,920</b>	<b>US\$ 45,243,205</b>	<b>132,571,669</b>

US\$: US dollars



**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

Unaudited Consolidated Information submitted in compliance with Section 64, subsection B of Law N° 19,550

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

(Notes 1, 2, and 3)

**Schedule H**

Items	Total December 31, 2004	Operating Expenses						Expenses		Total December 31, 2003
		Total	Crops	Beef cattle	Milk	Feed Lot	Others	Selling	Administrative	
		Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	
Directors fees	46,408								46,408	3,730
Fees and payments for services	608,422	132,330	5,726	84,599	6,875		35,130		476,092	759,431
Salaries and wages	3,183,508	1,569,861	249,754	830,780	146,061		343,266	39,431	1,574,216	3,612,925
Social security contributions	494,327	202,965	81,521	108,932	12,512				291,362	438,033
Taxes, rates and contributions	217,611	191,547	54,344	114,950	15,370		6,883		26,064	221,269
Gross sales taxes	286,533							286,533		288,287
Office and administrative expenses	352,376	73,903		1,824			72,079	1,320	277,153	165,577
Bank commissions and expenses	15,466	15,466	1,891	4,466	182		8,927			22,107
Depreciation of fixed assets	1,765,735	1,613,438	759,378	574,844	100,400	137,349	41,467		152,297	1,590,958
Vehicle and travelling expenses	331,332	175,735	58,029	88,155	6,901		22,650	8,026	147,571	259,172
Spare parts and repairs	617,545	614,368	311,710	265,241	36,717		700		3,177	521,117
Insurance	123,954	33,496	13,667	14,317	1,372		4,140		90,458	161,729
Employees benefits	183,077	134,766	21,643	101,090	4,468		7,565	144	48,167	80,941
Amortization of intangible assets										246,425
Livestock expenses	7,866,754	7,260,478		7,260,478				606,276		5,005,637
Dairy farm expenses	643,214	636,126			636,126			7,088		584,715
Agricultural expenses	4,465,418	2,929,287	2,929,287					1,536,131		3,040,597
Feed lot expenses	252,482	252,482				252,482				223,531
Silo expenses	41,963	41,963	41,963							123,395
Coal expenses										8,060
Firewood expenses										338
FyO expenses	25,984	4,500					4,500	21,484		76,680

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General expenses	144,081	143,707	33,103	85,389	9,666	15,549	374	278,688		
Total at December 31, 2004	21,666,190	16,026,418	4,562,016	9,535,065	976,650	389,831	562,856	2,506,807	3,132,965	
Total at December 31, 2003		11,975,259	3,397,918	6,660,866	933,330	331,666	651,479	2,192,027	3,546,056	17,713,342

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Balance Sheet as at December 31, 2004, June 30, 2004 and December 31, 2003

	December 31, 2004	June 30, 2004	December 31, 2003		December 31, 2004	June 30, 2004	December 31, 2003
	(Notes 1 and 2)	(Notes 1 and 2)	(Notes 1 and 2)		(Notes 1 and 2)	(Notes 1 and 2)	(Notes 1 and 2)
	Pesos	Pesos	Pesos		Pesos	Pesos	Pesos
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash and banks (Note 8.a.)	26,578,404	12,522,961	19,903,682	<b>Debts:</b>			
Investments (Note 8.b.)	1,639,729	1,490,311	1,655,808	Trade accounts payable (Note 8.f.)	11,649,093	11,051,036	5,995,956
Trade accounts receivable (Note 8.c.)	6,298,620	3,577,620	3,941,177	Loans (Note 8.g.)	38,606,380	8,090,261	1,383,511
Other receivables and prepaid expenses (Note 8.d.)	7,845,706	15,915,028	8,542,617	Salaries and social security payable (Note 8.h.)	765,705	1,359,719	689,109
Inventories (Note 8.e.)	45,284,709	34,330,261	31,429,530	Taxes payable (Note 8.i.)	4,372,111	1,722,271	959,654
<b>Total Current Assets</b>	<b>87,647,168</b>	<b>67,836,181</b>	<b>65,472,814</b>	Other debts (Note 8.j.)	11,857,335	8,170,624	2,913,384
				<b>Total Debts</b>	<b>67,250,624</b>	<b>30,393,911</b>	<b>11,941,614</b>
<b>Non-Current Assets</b>				<b>Total Current Liabilities</b>	<b>67,250,624</b>	<b>30,393,911</b>	<b>11,941,614</b>
Other receivables and prepaid expenses (Note 8.d.)	5,279,475	4,138,826	3,918,883				
Inventories (Note 8.e.)	46,102,732	40,982,536	35,852,040	<b>Non-Current Liabilities</b>			
Investments (Note 8.b.)	305,920,570	274,977,554	220,366,049	Loans (Note 8.g.)	123,285,777	125,880,874	127,670,143
Other investments (Note 8.b.)	134,949,064	132,962,608	146,354,259	Taxes payable (Note 8.i.)	27,491,943	25,132,570	23,111,814
Fixed assets, net (Schedule A)	155,026,463	151,547,192	141,427,910	Other debts (Note 8.j.)	480,640		
<b>Subtotal Non-Current Assets</b>	<b>647,278,304</b>	<b>604,608,716</b>	<b>547,919,141</b>	<b>Total Non-Current Liabilities</b>	<b>151,258,360</b>	<b>151,013,444</b>	<b>151,781,957</b>

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Goodwill (Note 8.b.)	(36,326,481)	(25,869,346)	(19,931,610)	<b>Total liabilities</b>	218,508,984	181,407,355	162,723,571
<b>Total Non-Current Assets</b>	610,951,823	578,739,370	527,987,531	<b>SHAREHOLDERS EQUITY</b> (as per corresponding statement)	480,090,007	465,168,196	430,736,774
<b>Total Assets</b>	698,598,991	646,575,551	593,460,345	<b>Total Liabilities and Shareholders Equity</b>	698,598,991	646,575,551	593,460,345

The accompanying notes and schedules are an integral part of these financial statements.

Saúl Zang

First Vice-Chairman

serving as Acting Chairman

**Cresud Sociedad Anónima**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Unaudited Statement of Income**

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

	December 31, 2004	December 31, 2003
	(Notes 1 and 2)	(Notes 1 and 2)
	Pesos	Pesos
Sales		
Crops	11,236,161	8,793,868
Beef cattle	18,129,885	11,071,481
Milk	1,567,574	1,831,837
Other	1,923,693	1,822,775
<b>Total Sales</b>	<b>32,857,313</b>	<b>23,519,961</b>
Cost of sales (Schedule F)		
Crops	(11,391,820)	(7,143,937)
Beef cattle	(14,531,019)	(8,386,427)
Milk	(876,965)	(396,276)
Other	(8,554)	(1,418)
<b>Total cost of sale</b>	<b>(26,808,358)</b>	<b>(15,928,058)</b>
<b>Gross income</b>	<b>6,048,955</b>	<b>7,591,903</b>
Selling expenses (Schedule H)	(2,408,431)	(2,102,952)
Administrative expenses (Schedule H)	(2,822,516)	(3,236,153)
Net gain on sale of farms		1,085,345
Gain from inventory holdings (Schedule F)	5,744,136	1,240,082
<b>Operating income</b>	<b>6,562,144</b>	<b>4,578,225</b>
Financial results		
Generated by assets:		
Exchange differences and discounts	38,496	8,182,662
Interest income	223,891	94,913
Bad debts (Schedule E)		29,928
Reference stabilization index (CER)		(302,136)
Tax on debts and credits	(585,499)	(443,589)
Convertible Bonds purchase interest	5,473,411	5,846,354
Others	82,666	6,625

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	5,232,965	13,414,757
<b>Generated by liabilities:</b>		
Financial expenses		
Convertible Bonds issued interest	(5,160,478)	(5,625,121)
Others	(1,152,651)	(817,230)
Exchange differences and discounts	(947,991)	(6,305,896)
	<u>(7,261,120)</u>	<u>(12,748,247)</u>
<b>Other income and expenses:</b>		
Gains from others fixed assets sales		
Others	20,061	251,561
	<u>(3,315,633)</u>	<u>1,656</u>
	<u>(3,295,572)</u>	<u>253,217</u>
Gain from controlled and related companies		
Management fees (Note 5)	14,229,684	2,483,250
	<u>(1,059,305)</u>	<u>(529,129)</u>
<b>Income before income tax</b>	<b>14,408,796</b>	<b>7,452,073</b>
Income tax expense (Note 6)		
	<u>(4,875,059)</u>	<u>(2,689,917)</u>
<b>Net income for the period</b>	<b>9,533,737</b>	<b>4,762,156</b>

The accompanying notes and schedules are an integral part of these financial statements.

Saúl Zang

First Vice-Chairman

serving as Acting Chairman

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Unaudited Statement of Changes in Shareholders Equity**

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

(Notes 1 and 2)

Items	Shareholders contributions					Retained earnings		Total at	
	Capital (Note 3)		Inflation adjustment of Common stock	Paid-in capital	Total	Legal reserve	Unappropriated earnings	Total at December 31, 2004	Total at December 31, 2003
	Common stock	Treasury stock							
Balances at the beginning of the year	150,532,819	240,000	166,218,124	106,323,100	423,314,043	6,087,440	35,766,713	465,168,196	391,799,125
Subscription of incentive plan (Note 12)	173,200	(173,200)					173,200	173,200	319,437
Conversion of bonds in common stock (Note 13)	2,479,890			1,260,738	3,740,628			3,740,628	16,097,982
Exercise of Warrants (Note 13)	2,464,833			2,009,413	4,474,246			4,474,246	19,258,074
Appropriation of profits resolved by Shareholders Meeting held on October 31, 2004									
Increase in legal reserve						1,605,151	(1,605,151)		
Cash dividends							(3,000,000)	(3,000,000)	(1,500,000)
Net income for the period							9,533,737	9,533,737	4,762,156
	155,650,742	66,800	166,218,124	109,593,251	431,528,917	7,692,591	40,868,499	480,090,007	

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Balances at  
December 31,  
2004

Balances at  
December 31,  
2003

146,121,345	253,000	166,218,124	103,644,018	416,236,487	6,087,440	8,412,847	430,736,774
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The accompanying notes and schedules are an integral part of these financial statements.

Saúl Zang

First Vice-Chairman

serving as Acting Chairman



**Cresud Sociedad Anónima**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Unaudited Statement of Cash Flow**

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

	December 31, 2004	December 31, 2003
	(Notes 1 and 2)	(Notes 1 and 2)
	Pesos	Pesos
<b>Changes in funds</b>		
Funds at the beginning of the year	12,527,042	20,739,345
Funds at the end of the period	26,605,956	19,907,681
Net increase (decrease) in funds	14,078,914	(831,664)
<b>Causes of changes in funds</b>		
<b>Operation activities</b>		
Income for the period	9,533,737	4,762,156
Liabilities interest	5,911,384	5,625,120
Income tax	4,875,059	2,478,164
<b>Adjustments made to reach net cash flow from operation activities</b>		
Results from interest in controlled and related companies	(14,229,684)	(2,483,250)
Increase in allowances and reserves	3,648,938	2,306,749
Depreciation	1,501,016	1,358,544
Results from inventory holdings	(5,744,136)	(1,240,082)
Financial results	(4,817,103)	(4,677,012)
Result from sale of fixed assets	(20,061)	(1,336,906)
<b>Changes in operating assets and liabilities</b>		
Decrease in current investments	5,362,711	5,707,778
(Increase) decrease in trade accounts receivable	(2,721,637)	486,106
Decrease (increase) in other receivables	7,101,433	(3,119,130)
Increase in inventories	(10,834,356)	(9,044,234)
Decrease in social securities charges & taxes payable and advances to customers	(459,860)	(3,198,756)
Decrease in trade accounts payable	(1,991,576)	(3,536,008)
Dividends collected	981,315	1,104,139
Increase (decrease) in other debts	3,108,046	(1,195,455)
<b>Net funds provided by (applied to) operation activities</b>	<b>1,205,226</b>	<b>(6,002,077)</b>
<b>Investment activities</b>		
Increase in permanent investments	(1,502,678)	(1,199,670)
Increase in interest in related companies	(7,418,437)	(5,204,531)
Acquisition and upgrading of fixed assets	(4,701,940)	(3,043,197)
Sale of fixed assets	245,562	3,513,258
<b>Net funds applied to investment activities</b>	<b>(13,377,493)</b>	<b>(5,934,140)</b>

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<b>Financing activities</b>		
Exercise of Warrants	4,474,246	19,258,074
Dividends paid	(3,000,000)	(1,500,000)
Exercise of rights offering on treasury stock	173,200	319,437
Increase in financial loans	36,468,450	
Decrease in financial loans	(11,864,715)	(5,667,108)
Issuance expenses of Convertible Bonds		(1,305,850)
	<hr/>	<hr/>
<b>Net funds provided by financing activities</b>	<b>26,251,181</b>	<b>11,104,553</b>
	<hr/>	<hr/>
<b>Net increase (decrease) in funds</b>	<b>14,078,914</b>	<b>(831,664)</b>
	<hr/>	<hr/>
<b>Items not involving changes in funds</b>		
Transfer of inventory to fixed assets	503,848	37,227
Repayment of financial loans through issue of stock by exercise of conversion right	3,740,628	16,097,982
	<hr/>	<hr/>
<b>Complementary information</b>		
Interest paid	5,107,038	5,667,108
Income tax paid	244,857	727,313

Saúl Zang

First Vice-Chairman

serving as Acting Chairman

**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Unaudited Financial Statements**

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

**NOTE 1: STANDARDS ACCOUNTING**

Below is a description of the most relevant accounting standards used by the Company in the preparation of these Financial Statements, which have been applied on a consistent basis from the previous fiscal year.

a. Presentation standards

These financial statements are stated in Argentine pesos, and have been prepared in accordance with the disclosure and valuation accounting standards contained in the Technical Resolutions issued by the Federación Argentina de Consejos Profesionales de Ciencias Económicas, as approved, with resolutions issued by the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires and the Comisión Nacional de Valores.

b. New Accounting Standards

The Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires enacted the following technical resolutions: N° 16: Conceptual regime for professional accounting regulations ; N° 17: Professional accounting regulations: development of matters of general application , N° 18: Professional accounting regulations: development of some matters of particular application and N° 19 Modifications to technical resolutions N° 6, 8, 9, 11 and 14 and N° 20 Derivative instruments and hedging transactions , through Resolutions C 238/01, C 243/01, C 261/01, C 262/01 and C 187/02, respectively; establishing that such technical resolutions and the modifications incorporated, will be in force for fiscal years initiated as from July 1, 2002 (other than Technical Resolution No. 20, which shall become effective for fiscal years beginning as from January 1, 2003).

The Comisión Nacional de Valores, through Resolution N° 434/03 has adopted such technical resolutions with some exceptions and modifications, which have been in force for fiscal years initiated as from January 1, 2003.

The main changes basically result from the registration of income tax under the deferred tax method, as concerns agreements involving derivative instruments at their current value and the valuation of receivables and payables with no stated rate at their discounted value.

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As at February 19, 2003, the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires, enacted Technical Resolution N° 21 Proportional value- merge of financial statements- information to provide on related parties through Resolution M.D. N° 5/2003.

The above mentioned Technical Resolution and the amendments introduced became effective for fiscal years ended as from April 1, 2003. Furthermore, The Comisión Nacional de Valores has adopted such Technical Resolution, through Resolution N° 459/04 introducing some modifications, which will be in force for fiscal years started as from April 1, 2004, consequently the Company has considered their application.

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements (Continued)**

**NOTE 1:** (Continued)

Financial statements corresponding to the six month economic periods ended to December 31, 2004 and 2003 have not been audited yet. The management believes they include all necessary settlements to reasonably show the results of each period. Results for the six month economic periods ended to December 31, 2004 and 2003 do not necessarily reflect the proportion of the company's result for such complete years.

c. Accounting for inflation

The Company's financial statements have been prepared in accordance with Resolution M.D. 3/02 of the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires, which has established the application of Technical Resolution No. 6, as amended by Technical Resolution No. 19 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas, as from fiscal years or interim periods ended on or after March 31, 2002.

On March 25, 2003, the Poder Ejecutivo Nacional issued Decree No. 664 establishing that financial statements for fiscal years ended as from that date should be stated in nominal currency. Therefore, in accordance with Resolution No. 441 issued by the Comisión Nacional de Valores on April 8, 2003, the Company discontinued restatement of its financial statements effective March 1, 2003. This criteria does not comply with Resolution M.D. 041/2003, enacted by the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires, by means of which the restatement of financial statements as of October 1, 2003 is no longer compulsory. However, as of December 31, 2004, this deviation did not have a material effect on the Company's financial statements.

As a consequence of the above, the initial balances at the Company's financial statements are presented in constant currency as of February 28, 2003, having considered the accounting measurements restated by the changes in the purchasing power of the currency until interruption of the adjustment and those arising in the period of stability, restated into currency of December 2001. Transactions subsequent to February 28, 2003 have been recorded at their historical values.

The coefficients prepared based on the domestic wholesale price index, published by the Instituto Nacional de Estadísticas y Censos, have been applied for purposes of the abovementioned restatement of comparative information.

d. Comparative Information

For comparison purposes, reclassifications have been made as of December 21, 2003 and June 30, 2004.

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements (Continued)**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

a. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates are used when accounting for the allowance for doubtful accounts, depreciation, amortization, impairment of current and non-current assets, income taxes, deferred liabilities and allowances for contingencies, accrual for expenses and assets recoverable value. Actual results could differ from those estimates.

b. Local currency assets and liabilities

The local currency assets and liabilities are stated at period-end nominal currency.

c. Foreign currency assets and liabilities

Assets and liabilities denominated in foreign currency have been valued at the amount of such currency as of the closing of the financial statements, converted at the buying and selling exchange rate, respectively, prevailing at year-end.

d. Temporary investments

Mutual funds and notes are carried at market value as of period-end.

Temporary investments do not exceed their recoverable value estimated at fiscal period-end.

e. Trade accounts receivable and payable

Trade accounts receivable and payable have been valued at their cash price estimated at the time of the transaction, plus interest and implied financial components accrued on the basis of the internal rate of return determined at such time, provided they are significant.

f. Credits and loans

Credits and loans have been valued in accordance with the sum of money delivered and received, respectively, net of transaction costs, plus financial results accrued on the basis of the rate estimated at such time as of period-end.

g. Futures and Options

Futures relate to cereal commitments deliverable at a previously agreed price (see Note 4). Premiums collected or paid correspond to options bought or written.

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements (Continued)**

**NOTE 2:** (Continued)

The assets or liabilities originated in derivatives instruments have been valued at their market value at the closing of the period.

Differences generated by the application of the above mentioned valuation criteria to assets and liabilities from derivative instruments have been recognized under net income.

h. Other receivables and payables

Other receivables and payables have been valued on the basis of the agreed values plus interest accrued as of the closing of the financial statements.

Other receivables and payables in foreign currency have been valued at their amount in such currency at the fiscal period-end closing date, converted to the buyer and seller exchange rate, respectively, prevailing at the fiscal period-end closing date.

i. Balances with related parties

Receivables and payables with related parties have been valued in accordance with the conditions agreed between the parties involved.

j. Inventories

1. Livestock for raising and grazing cattle have been stated at their market value at the end of the period, net of estimated selling expenses. The livestock for dairy production and other purposes not related to direct sale over the next 12 months were valued at replacement cost.
2. Crops: at their quoted market value at the end of the period, less estimated sale expenses.
3. Sown lands: Sown lands are valued at the replacement cost of the supplies used, plus expenses accrued as of the closing of the financial statements.



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4. The remaining inventories were valued at replacement value.

The carrying values of inventories, which are determined as discussed above, do not exceed their estimated recoverable values at the end of the period.

- k. Long term investments in other companies

1. Investments in subsidiaries and affiliates

The investments in subsidiaries and affiliates in which the Company has significant influence have been accounted for under the equity method, as required by Technical Resolution No. 21 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas approved by Comisión Nacional de Valores.

**Cresud Sociedad Anónima, Comercial,****Inmobiliaria, Financiera y Agropecuaria****Notes to the Unaudited Financial Statements (Continued)****NOTE 2:** (Continued)

Holdings at December 31, 2004 are as follows:

<u>Subsidiaries and affiliates</u>	<u>% Equity interest</u>
Inversiones Ganaderas S.A.	99.99
Futuros y Opciones.Com S.A.	70.00
Cactus Argentina S.A.	50.00
Agro Uranga S.A.	35.72
IRSA Inversiones y Representaciones Sociedad Anónima	26.48

Consolidated financial statements with Inversiones Ganaderas S.A., Futuros y Opciones.Com and Cactus Argentina S.A. in proportional consolidation of 50% at December 31, 2004 and 2003 are presented as complementary information.

Current valuations and economic conditions reduce the risks inherent to long-term investment opportunities and increase the possibility of obtaining significant return in the long term. In view of these circumstances: (i) the value of the investment was set at market value; (ii) the value of the investment was calculated by the equity method of accounting; and (iii) the difference between (i) and (ii) was recognized as negative goodwill to be amortized over 20 years.

As of December 31, 2004, the Company recorded as negative goodwill the difference between the prices of conversions of warrants into IRSA s shares and the value assigned according to the calculation of the proportional equity value. In such negative goodwill the impact of IRSA s results from third-party dilutions resulting from the exercise of conversion and warrants for shares will be recognized. Therefore, such amount will not be subject to amortization.

2. Other Investments

Investments in debt securities

IRSA s Convertible Bonds were valued taking into account the amount existing at period-end in dollars, at the sellers exchange rate plus interest accrued as of the closing date of these financial statements.

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### Other investments

The remaining investments correspond to non-listed securities, which were valued at their restated cost as of February 28, 2003 (Note 1.c.).

### Goodwill

The goodwill relating to the purchase of the subsidiary Futuros y Opciones.Com S.A. has been valued at its restated cost as of February 28, 2003, calculated as the difference between the price paid for such investment and its equity value calculated at the time of purchase, which was also restated as of that date (Note. 1.c.).

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements (Continued)**

**NOTE 2:** (Continued)

Depreciation is calculated in accordance with the estimated useful life, which is 5 years and has been classified under Result from interest in subsidiaries and related companies in the statement of income.

l. Fixed assets

Purchase value:

Valued at cost restated into period-end currency applying the coefficients mentioned in Note 1. c., based on the corresponding dates of origin.

Depreciation

Calculated by the straight-line method based on the estimated useful lives of the assets as from the period of addition.

The carrying value

The carrying value of fixed assets does not exceed their estimated recoverable value at the end of the period.

m. Shareholders equity

Initial balances have been restated into period-end currency following the criteria set forth in Note 1.c. Movements for the period are recorded at their historical values.

n. Results for the period

The results for the period are disclosed in the paid cost.

The income statement shows the financial results, discriminating those generated by assets and those generated by liabilities.

o. Income Tax

The Company has recognized the income tax liability on the basis of the deferred tax liability method, thus considering temporary differences between registration of assets and liabilities for accounting and tax purposes. The principal temporary differences originate in the valuation of livestock and the sale and replacement of fixed assets.

In order to determine deferred assets and liabilities the tax rate expected to be in effect at the temporary of reversal or use has been applied on the temporary differences identified and tax loss carryforwards, considering the laws enacted as of the date of issuance of these financial statements (35%).

Assets and liabilities generated by the application of the deferred tax method have been valued at face value.

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 2:** (Continued)p. Tax on minimum hypothetical income

The Company determines the tax on minimum hypothetical income applying the prevailing rate of 1% on computable assets at fiscal period-end. This tax is supplementary to the income tax. The Company's tax liability for each period will be the higher of these two taxes. However, if the tax on minimum hypothetical income exceeds the income tax in any fiscal year, such excess may be computed as payment on account of the income tax that may be payable in any of the following ten fiscal years.

q. Revenue recognition

Revenue is recognized on sales of products when the customer receives title to the goods, generally upon delivery.

**NOTE 3: COMMON AND TREASURY STOCK**

The activity in the Company's shares during the last three financial years was as follows:

	<u>Authorized</u>	<u>Subscribed</u>	<u>Paid in</u>
	<u>Pesos</u>	<u>Pesos</u>	<u>Pesos</u>
Common and treasury stock at June 30, 2001	119,669,749	119,669,749	119,669,749
Preferred offering			
Fiscal year ended June 30, 2002 (Note 12)	2,353	2,353	2,353
Incentive Plan			
Fiscal year 02 (Note 12)	480,000	480,000	480,000
Incentive Plan			
Fiscal year 03 (Note 12)	3,559,853	3,559,853	3,559,853
Conversion of bonds in common stock (Note 13)-Fiscal year 2003	386,140	386,140	386,140
Incentive Plan (Note 12) - Fiscal year 04	332,437	332,437	332,437
Conversion of bonds in common stock (Note 13)-Fiscal year 2004	13,136,577	13,136,577	13,136,577
Exercise of Warrants (Note13)-Fiscal year 2004	12,965,710	12,965,710	12,965,710
Incentive Plan (Note 12)-Fiscal year 05-1 <sup>st</sup> and 2 <sup>nd</sup> quarter	173,200	173,200	173,200
Conversion of bonds in common stock (Note 13)-Fiscal year 2005-1st and 2nd quarter	2,479,890	2,479,890	2,479,890
Exercise of Warrants (Note13)-Fiscal year 2005-1 <sup>st</sup> and 2 <sup>nd</sup> quarter	2,464,833	2,464,833	2,464,833
Common and treasury stock at December 31, 2004	<u>155,650,742</u>	<u>155,650,742</u>	<u>155,650,742</u>



## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 3:** (Continued)

As of December 31, 2004, the capital authorized to be publicly offered is formed of 155,650,742 common, book-entry shares of \$ 1 par value each and entitled to one vote per share, all of which were outstanding.

**NOTE 4: FUTURES**

At December 31, 2004 the Company had arranged futures and options on the futures market as follows:

**OPTIONS C.B.O.T. SELL CALL SEASON 2004/2005**

	<u>Cereal</u>	<u>Tons</u>	<u>Average price</u> US\$ <sup>(1)</sup>	<u>Premium</u> US\$ <sup>(2)</sup>
Soybean		5,440	227.81	(37,979)
Corn		12,700	98.42	(10,874)

**OPTIONS C.B.O.T. - PURCHASE CALL SEASON 2004/2005**

	<u>Cereal</u>	<u>Tons</u>	<u>Average price</u> US\$ <sup>(1)</sup>	<u>Premium</u> US\$ <sup>(2)</sup>
Corn		12,700	86.61	39,248

**OPTIONS C.B.O.T. PURCHASE PUT SEASON 2004/2005**

	<u>Cereal</u>	<u>Tons</u>	<u>Average price</u> US\$ <sup>(1)</sup>	<u>Premium</u> US\$ <sup>(2)</sup>
Soybean		2,720	205.77	37,979



**FUTURES C.B.O.T. SEASON 2004/2005**

	<u>Cereal</u>	<u>Tons</u>	Average price	Premium
			<u>US\$<sup>(1)</sup></u>	<u>US\$<sup>(2)</sup></u>
Corn-sell		12,700	93.57	(1,188,312)

As of December 2004 and 2003, the Company charged to income Ps. 2,088,522 and Ps. 753,010, respectively, in connection with the transactions closed during such periods. These results are disclosed combining the cost of grains in one line of Schedule F.

At December 31, 2003 the Company had arranged futures and options on the forward market as follows:

**OPTIONS C.B.O.T. SELL CALL SEASON 2003/2004**

	<u>Cereal</u>	<u>Tons</u>	Average price	Premium
			<u>US\$<sup>(1)</sup></u>	<u>US\$<sup>(2)</sup></u>
Soybean		13,600	323.35	(99,944)
Corn		17,780	106.29	(33,598)
Wheat		14,960	168.35	(58,467)

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 4:** (Continued)**OPTIONS C.B.O.T. PURCHASE CALL - SEASON 2003/2004**

	<u>Cereal</u>	<u>Tons</u>	Average price	Premium
			<u>US\$ (1)</u>	<u>US\$ (2)</u>
Soybean		10,880	293.95	135,124
Corn		45,720	90.55	305,984
Wheat		14,960	146.64	176,900

**OPTIONS C.B.O.T. SELL PUT - SEASON 2003/2004**

	<u>Cereal</u>	<u>Tons</u>	Average price	Premium
			<u>US\$ (1)</u>	<u>US\$ (2)</u>
Soybean		10,880	252.62	(127,928)
Corn		45,720	94.48	(102,595)
Wheat		14,960	142.63	(56,468)

**OPTIONS C.B.O.T.-PURCHASE PUT - SEASON 2003/2004**

	<u>Cereal</u>	<u>Tons</u>	Average price	Premium
			<u>US\$ (1)</u>	<u>US\$ (2)</u>
Soybean		13,600	264.56	199,887

**OPTIONS SELL CALL SEASON 2003/2004**

	<u>Cereal</u>	<u>Tons</u>	Average price	Premium
			<u>US\$ (1)</u>	<u>US\$</u>

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Corn	3,100	100.26	(14,923)
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**OPTIONS SELL PUT SEASON 2003/2004**

	<u>Cereal</u>	<u>Tons</u>	<u>Average price</u>	<u>Premium</u>
			<u>US\$ <sup>(1)</sup></u>	<u>US\$ <sup>(2)</sup></u>
Wheat		200	100.00	(630)

**FUTURES C.B.O.T. - SEASON 2003/2004**

	<u>Cereal</u>	<u>Tons</u>	<u>Average price</u>	<u>Total amount</u>
			<u>US\$ <sup>(1)</sup></u>	<u>US\$ <sup>(2)</sup></u>
Corn-purchase		3,100	89.00	287,959

(1) Strike price without deducting expenses.

(2) Premiums paid (collected).

**NOTE 5: MANAGEMENT AGREEMENT**

The Company signed a management agreement with Dolphin Fund Management S.A. (formerly called Consultores Asset Management S.A.), for consulting in relation to livestock and farming activities serving as an intermediary in transactions and investment consulting in relation to security investments.

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements (Continued)**

**NOTE 5:** (Continued)

In exchange for its services, such company will receive a payment equivalent to 10% of the net income resulting from the annual or the special financial statements.

Since certain directors of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria are also executive directors and shareholders of Dolphin Fund Management S.A., the above-mentioned agreement was approved by the Extraordinary Shareholders' Meeting held on October 25, 1994, in compliance with Article N° 271 of Law N° 19,550.

On November 2003, Dolphin Fund Management S.A. was divided into two companies: Consultores Asset Management S.A. and Dolphin Fund Management S.A. As from that moment the management contract is held by Consultores Asset Management S.A.

In relation to this issue, the financial statements as of December 31, 2004 and December 31, 2003 includes a charge in the Statement of Income of Ps. 1,059,305 and a Ps. 529,129 respectively and the same provision for this periods.

**NOTE 6: INCOME TAX DEFERRED TAX**

The following tables show the development and composition of deferred tax Assets and Liabilities.

Deferred assets as of December 31, 2004:

	<b>Cumulative tax loss carryforwards</b>	<b>Provisions</b>	<b>Other</b>	<b>TOTAL</b>
Initial Balance	2,224,649	20	1,191	2,225,860
Charge to results	(20,840)		80,289	59,449
Closing Balance	2,203,809	20	81,480	2,285,309

Deferred liabilities as of December 31, 2004:

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	<u>Fixed Assets</u>	<u>Inventories</u>	<u>Investments</u>	<u>Accrual</u>	<u>TOTAL</u>
Initial Balance	(13,522,161)	(11,545,458)	(1,220,989)	(1,069,822)	(27,358,430)
Charge to results	106,320	(1,062,968)	(1,509,122)	46,947	(2,418,823)
Closing Balance	<u>(13,415,841)</u>	<u>(12,608,426)</u>	<u>(2,730,111)</u>	<u>(1,022,875)</u>	<u>(29,777,253)</u>

As of December 31, 2004, net liabilities at period-end as per the information included in the preceding tables amount to Ps. 27,491,944.

Below is a conciliation between the Income Tax charged to Income and that which would result from applying the prevailing tax rate on the Income for accounting purposes:

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 6:** (Continued)

<u>Description</u>	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Income before income tax	14,408,796	7,452,073
Tax rate	35%	35%
Net results at tax rates:	5,043,079	2,608,226
Permanent differences at tax rate:		
Restatement into constant currency	62,175	724,011
Penalties	159	847
Donations		(92,333)
Amortization FYO Goodwill	55,643	55,066
Result from purchase and sale of stock	2,066,984	244,230
Loss from controlled and related companies	(4,980,389)	(869,138)
Personal asset tax	1,157,197	
Conversion of bonds in common stock	1,509,585	
Miscellaneous permanent differences	(39,374)	19,008
	<u>4,875,059</u>	<u>2,689,917</u>

During this period the Income Tax rate was 35%.

Cumulative tax loss carryforwards recorded by the Company pending utilization at period-end amount to approximately Ps. 2,203,809 and may be offset against taxable income of future fiscal years, as follows:

<u>Origination year</u>	<u>Amount</u>	<u>Expiration Year</u>
2003	2,003,809	2008

Deferred assets as of December 31, 2003:

	<u>Cumulative tax loss carryforwards</u>	<u>Provisions</u>	<u>Other</u>	<u>TOTAL</u>
Initial Balance	2,257,116	(6,335)	250,802	2,501,583

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Charge to income	<u>66,425</u>	<u>(10,475)</u>	<u>(253,313)</u>	<u>(197,363)</u>
Closing Balance	<u>2,323,541</u>	<u>(16,810)</u>	<u>(2,511)</u>	<u>2,304,220</u>

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 6:** (Continued)

Deferred liabilities as of December 31, 2003:

	Fixed				TOTAL
	Assets	Inventories	Investments	Provisions	
Initial Balance	(13,019,043)	(10,355,850)	(2,705)	(1,001,793)	(24,379,391)
Charge to income	(672,657)	(126,040)	2,269	(240,215)	(1,036,643)
Closing Balance	(13,691,700)	(10,481,890)	(436)	(1,242,008)	(25,416,034)

As of December 31, 2003, net liabilities at period-end as per the information included in the preceding tables amount to Ps. 23,111,814.



## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 7: BALANCES AND RESULTS WITH SUBSIDIARIES, RELATED COMPANIES LAW N° 19,550 SECTION 33 AND RELATED PARTIES:****a. Balances at December 31, 2004, June 30, 2004 and December 31, 2003 with Subsidiaries, related companies and related parties:**

	<u>December 31, 2004</u>	<u>June 30, 2004</u>	<u>December 31, 2003</u>
<b>IRSA Inversiones v Representaciones S.A.(3)</b>			
Current Investments			
- Interest of Convertible Bonds 2007 -IRSA (US\$)	1,499,204	1,388,504	1,560,891
Non-Current Investments			
- Convertible Bonds 2007 -IRSA (US\$)	134,928,347	132,941,891	146,333,542
Current Trade accounts receivable		637	18,371
Current Trade accounts payable	116,259	1,108	35,378
<b>Inversiones Ganaderas S.A.(1)</b>			
Current Trade accounts receivable	29,195	9,216	78,555
Current Other debts	1,747,984	2,196,666	2,384,255
Non-Current Other debts	480,640		
<b>Futuros y opciones.Com S.A(1)</b>			
Current Trade accounts receivable	424,147		
Current Other receivables and prepaid expenses	23,603	738,735	321,310
Current Trade accounts payable		3,720	14,033
<b>Cactus Argentina S.A.(3)</b>			
Current Trade accounts receivable	30,261	29,845	13,709
Current Other receivables and prepaid expenses	1,354,328	1,346,401	1,337,986
Current Trade accounts payable	530,217	1,853,969	434,578
Current Other debts	205,730		
<b>Agro-Uranga S.A.(3)</b>			
Current Other receivables and prepaid expenses	234,279		
<b>Fundación IRSA (4)</b>			
Current Trade accounts payable	1,177,988	1,177,988	460,642
<b>Inversora Bolivar (4)</b>			
Current Trade accounts payable	6,341	5,349	
<b>Alto Palermo S.A.(4)</b>			
Current Trade accounts receivable		87,359	40,003
Current Trade accounts payable	44,233	175,133	38,931
<b>Credits to employees (4)</b>			
Current credits to Senior management, directors and staff of the company	15,362	37,751	43,020
<b>Estudio Zang, Bergel &amp; Viñes(4)</b>			
Current Trade accounts payable	23,486	81,646	15,757
<b>Directors(4)</b>			
Current Trade accounts payable	43,543	3,471	967
Current Loans			
Convertible Bonds 2007 Interest payable (Schedule G)			
Directors	252	3,324	3,363

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<b>Non-Current Loans</b>			
Convertible Bonds 2007 (Schedule G)	22,640	318,281	315,268
<b>Directors</b>			
<b>Shareholders (2)</b>			
<b>Current Loans</b>			
Convertible Bonds 2007 Interest payable (Schedule G)	592,928	589,239	612,819
Directors	792,845	740,021	767,329
<b>Non-Current Loans</b>			
Convertible Bonds 2007 (Schedule G)	53,363,537	56,416,538	57,451,821
Directors	71,356,061	70,853,048	71,937,067

(1) Controlled company

(2) Shareholder

(3) Related company

(4) Related party

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 7:** (Continued)**b. Results provided by Subsidiaries, related companies and related parties corresponding to the periods ended at December 31, 2004 and 2003:**

Subsidiaries, related companies Law N°19,550 Section 33 and related parties:	Year	Sales and Fees for shared services	Interest paid	Salaries and social securities	Fees	Livestock expenses	Interest income	Administrative services	Others
Shareholders	2004		(2,951,938)						
	2003		(3,119,828)						
Agro-Uranga S.A.	2004								106,780
	2003								
Alto Palermo S.A.	2004	(8,765)							
	2003	(50,887)							
Cactus Argentina S.A.	2004					(3,002,994)	10,634	83,520	26,353
	2003					(3,035,337)	9,273	92,960	7,048
Directors	2004		(937)	(131,053)	(46,408)		9,859		
	2003		(13,673)	(158,841)	(3,730)		11,226		
Estudio Zang, Bergel & Viñes	2004				(62,024)				
	2003				(24,058)				
Fundación IRSA	2004								
	2003								
Futuros y opciones.Com S.A.	2004							19,200	(608)
	2003							19,200	(25,052)
Inversiones Ganaderas S.A.	2004		(70,093)					43,289	80,744
	2003		(63,213)						(653)
Inversora Bolívar	2004								(82,317)
	2003								
IRSA Inversiones y Representaciones S.A.	2004	(43,787)							(16,487)
	2003	(54,058)							
Credits to employees	2004						14,042		
	2003						12,971		
Senior Management	2004			(864,019)					
	2003			(758,667)					
<b>Total at December 31, 2004</b>		<b>(52,552)</b>	<b>(3,022,968)</b>	<b>(995,072)</b>	<b>(108,432)</b>	<b>(3,002,994)</b>	<b>34,535</b>	<b>146,009</b>	<b>114,465</b>
<b>Total at December 31, 2003</b>		<b>(104,945)</b>	<b>(3,196,714)</b>	<b>(917,508)</b>	<b>(27,788)</b>	<b>(3,035,337)</b>	<b>33,470</b>	<b>112,160</b>	<b>(18,657)</b>

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 8: Details of balance sheet and income statement accounts****a. Cash and banks**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
Cash	59,966	69,859	58,924
Foreign currency (Schedule G)	293,009	46,431	36,870
Patacones currency	39	39	
Local currency checking account	162,493	4,781,351	675,868
Patacones currency checking account	22	22	22
Foreign currency checking account (Schedule G)	9,055,590	1,220,084	18,898,279
Local currency saving account	9,897	12,295	18,541
Foreign currency saving account (Schedule G)	16,610,427	5,949,506	
Checks to be deposited	386,961	443,374	215,178
	<u>26,578,404</u>	<u>12,522,961</u>	<u>19,903,682</u>

**b. Investments and Goodwill**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Investment</b>			
Investment (Schedule C and G)	1,639,729	1,490,311	1,655,808
	<u>1,639,729</u>	<u>1,490,311</u>	<u>1,655,808</u>
<b>Investment</b>			
Investment from controlled and related companies (Schedule C)	305,920,570	274,977,554	220,366,049
	<u>305,920,570</u>	<u>274,977,554</u>	<u>220,366,049</u>
<b>Other investments</b>			
Other investments (Schedule C and G)	134,949,064	132,962,608	146,354,259
	<u>134,949,064</u>	<u>132,962,608</u>	<u>146,354,259</u>

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<b>Goodwill</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Goodwill (Schedule C)	(36,326,481)	(25,869,346)	(19,931,610)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	(36,326,481)	(25,869,346)	(19,931,610)
	<u>                    </u>	<u>                    </u>	<u>                    </u>

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 8:** (Continued)

## c. Trade accounts receivable

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Accounts receivable in local currency	5,207,564	3,833,851	4,151,088
Less:			
Provision for defaulting debtors (Schedule E)	(348,535)	(387,067)	(424,197)
Accounts receivable in foreign currency (Schedule G)	955,988	3,779	63,648
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Inversiones Ganaderas S.A.	29,195	9,216	78,555
Futuros y Opciones.Com S.A.	424,147		
Cactus Argentina S.A.	30,261	29,845	13,709
Alto Palermo S.A.		87,359	40,003
IRSA Inversiones y Representaciones Sociedad Anónima		637	18,371
	<u>6,298,620</u>	<u>3,577,620</u>	<u>3,941,177</u>

## d. Other receivables and prepaid expenses

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Prepaid leases	30,727	4,465,136	32,016
Guarantee deposits and premiums (Schedule G)	232,112	2,188,998	1,446,694
Secured by mortgage (Schedule G)	1,055,695	1,033,997	1,061,931
Prepaid expenses	1,102,780	897,192	446,759
Tax prepayments (net of provisions)	3,491,577	3,368,062	2,817,630
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Cactus Argentina S.A.	1,354,328	1,346,401	1,337,986
Futuros y Opciones.Com S.A.	23,603	738,735	321,310
Agro-Uranga S.A.	234,279		
Credits to employees	15,362	37,751	43,020
Shareholders		1,711,833	455,583
Others	305,243	126,923	579,688
	<u>6,298,620</u>	<u>3,577,620</u>	<u>3,941,177</u>

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	7,845,706	15,915,028	8,542,617
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Non-current</b>			
Secured by mortgage (Schedule G)			1,008,000
Value Added Tax	5,180,327	4,121,672	2,129,515
Tax on Minimum Hypothetical Income	99,148	17,154	781,368
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	5,279,475	4,138,826	3,918,883
	<u>                    </u>	<u>                    </u>	<u>                    </u>

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 8:** (Continued)

## e. Inventories

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Livestock	16,877,063	18,366,149	15,535,226
Crops	4,803,409	8,639,910	3,782,649
Unharvested crops	20,090,681	1,603,897	9,374,173
Seeds and fodder	166,898	238,378	139,344
Materials and others	3,024,911	4,041,594	1,580,539
Advances to suppliers	321,747	1,440,333	1,017,599
	<u>45,284,709</u>	<u>34,330,261</u>	<u>31,429,530</u>
<b>Non-Current</b>			
Livestock	46,102,732	40,982,536	35,852,040
	<u>46,102,732</u>	<u>40,982,536</u>	<u>35,852,040</u>

## f. Trade accounts payable

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Suppliers in local currency	4,071,023	4,339,383	1,880,406
Suppliers in foreign currency (Schedule G)	2,709,862	1,110,314	924,954
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Inversora Bolívar S.A.	6,341	5,349	
Alto Palermo S.A.	44,233	175,133	38,931
IRSA Inversiones y Representaciones S.A.	116,259	1,108	35,378
Cactus Argentina S.A.	530,217	1,853,969	434,578
Futuros y Opciones.Com S.A.		3,720	14,033
Estudio Zang, Bergel & Viñes	23,486	81,646	15,757
Fundación IRSA	1,177,988	1,177,988	460,642
Directors	43,543	3,471	967
Accrual for other expenses (Schedule G)	2,631,011	2,085,778	1,989,355



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Accrual for cereal expenses	<u>295,130</u>	<u>213,177</u>	<u>200,955</u>
	<u>11,649,093</u>	<u>11,051,036</u>	<u>5,995,956</u>

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 8:** (Continued)

## g. Loans

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Local financial loans (Note 16) (Schedule G)	37,220,355	6,757,677	
Convertible Bonds 2007 Interest payable (Schedule G)	592,928	589,239	612,819
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Shareholders	792,845	740,021	767,329
Directors	252	3,324	3,363
	<u>38,606,380</u>	<u>8,090,261</u>	<u>1,383,511</u>
<b>Non-Current</b>			
Convertible Bonds 2007 (Schedule G)	53,363,537	56,416,538	57,451,821
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Shareholders	71,356,061	70,853,048	71,937,067
Directors	22,640	318,281	315,268
Convertible Bonds 2007 expenses	(1,456,461)	(1,706,993)	(2,034,013)
	<u>123,285,777</u>	<u>125,880,874</u>	<u>127,670,143</u>

## h. Salaries and social security payable

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Vacation, statutory annual bonus allowance	594,686	1,001,301	436,826
Social security administration	161,927	166,415	135,266
Salaries payable	1,263	180,340	111,956
Health care scheme	1,891	2,533	1,979
Others	5,938	9,130	3,082
	<u></u>	<u></u>	<u></u>

765,705

1,359,719

689,109

## Cresud Sociedad Anónima Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 8:** (Continued)**i. Taxes payable**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Accrual for income tax	2,617,633	4,246,881	
Advances to Income tax		(2,808,338)	
Tax on Minimum Hypothetical Income (Note 2.p.)	99,147	17,154	781,367
Value Added Tax			7,317
Property tax payable	80,613	103,284	79,590
Taxes withheld for income tax	47,534	163,926	26,427
Gross sales taxes	(196,384)	80,085	152,265
Taxes withheld-Gross sales taxes	128,575	(81,215)	(87,312)
Others (1)	1,594,993	494	
	<u>4,372,111</u>	<u>1,722,271</u>	<u>959,654</u>
<b>Non-Current</b>			
Deferred tax	27,491,943	25,132,570	23,111,814
	<u>27,491,943</u>	<u>25,132,570</u>	<u>23,111,814</u>

(1) Including Personal Assets Tax of shareholders

**j. Other debts**

	December 31, 2004	June 30, 2004	December 31, 2003
	Pesos	Pesos	Pesos
<b>Current</b>			
Advances to customers (Schedule G)	8,718,400	4,432,500	
Accrual for Management fees (Note 5)	1,059,305	1,537,173	529,129
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Inversiones Ganaderas S.A.	1,747,984	2,196,666	2,384,255

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Cactus Argentina S.A. (Schedule G)	205,730		
Others	125,916	4,285	
	<u>11,857,335</u>	<u>8,170,624</u>	<u>2,913,384</u>
<b>Non-current</b>			
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:			
Inversiones Ganaderas S.A.	480,640		
	<u>480,640</u>		

## Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiers y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 9:****a) Assets based on their estimated collection or payment term (in pesos)**

Based on their estimated collection or payment term	Current and non-current investment			Trade accounts receivable			Other receivables and prepaid expenses		
	December 31,	June 30,	December 31,	December 31,	June 30,	December 31,	December 31,	June 30,	December 31,
	2004	2004	2003	2004	2004	2003	2004	2004	2003
3rd quarter 2004/2003 financial year			1,560,891			3,941,177			3,875,503
4th quarter 2004/2003 financial year									
1st quarter 2005/2004 financial year					3,577,620			3,250,227	
2nd quarter 2005/2004 financial year		1,388,504							
3rd quarter 2005/2004 financial year				6,298,620			2,411,856	1,033,997	1,008,000
4th quarter 2005/2004 financial year	1,499,204						597,727	305,826	
1st quarter 2006/2005 financial year									
2nd quarter 2006/2005 financial year									
3rd quarter 2006/2005 financial year									
4th quarter 2006/2005 financial year							99,148	17,154	781,368
1st quarter 2007/2006 financial year									
2nd quarter 2007/2006 financial year									
3rd quarter 2007/2006 financial year									
4th quarter 2007/2006 financial year									
2nd quarter 2008/2007 financial year	134,928,347	132,941,891	146,333,542						
Overdue									
With no stated current term	140,525	101,807	94,917				4,836,123	11,324,978	4,667,114
With no stated non-current term	20,717	20,717	20,717				5,180,327	4,121,672	2,129,515
<b>Total</b>	<b>136,588,793</b>	<b>134,452,919</b>	<b>148,010,067</b>	<b>6,298,620</b>	<b>3,577,620</b>	<b>3,941,177</b>	<b>13,125,181</b>	<b>20,053,854</b>	<b>12,461,500</b>

**b) Assets classified according to the interest rate that they accrued (in pesos)**

Interest rate that they accrue	Current and non-current investment			Trade accounts receivable			Other receivables and prepaid expenses		
	December 31,	June 30,	December 31,	December 31,	June 30,	December 31,	December 31,	June 30,	December 31,
	2004	2004	2003	2004	2004	2003	2004	2004	2003
At fixed interest rate	134,928,347	132,941,891	146,333,542				1,342,403	1,327,126	2,313,411
At variable interest rate	140,525	101,807	94,917				153,498	2,307,893	571,094

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Non-interest bearing	1,519,921	1,409,221	1,581,608	6,298,620	3,577,620	3,941,177	11,629,280	16,418,835	9,576,995
Total	136,588,793	134,452,919	148,010,067	6,298,620	3,577,620	3,941,177	13,125,181	20,053,854	12,461,500

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Financial Statements (Continued)

**NOTE 9:**

a) Liabilities based on their estimated collection or payment term (in pesos)

	Trade accounts payable			Loans			Salaries and social security payable			Taxes payable			Other debts	
	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004
Quarter ended 2003 financial			5,994,989			1,383,511			689,109			959,654		
Quarter ended 2004 financial		11,047,565			6,757,677		1,359,719				266,574			1,541,458
Quarter ended 2004 financial		3,471	967		1,332,584						1,455,697			2,196,666
Quarter ended 2004 financial	11,649,093			22,353,572			444,433			160,017			4,396,907	
Quarter ended 2005 financial				1,386,025					1,594,461				5,506,714	4,432,500
Quarter ended 2005 financial				14,866,783			321,272							
Quarter ended 2005 financial									2,617,633				1,747,984	
Quarter ended 2006 financial														
Quarter ended 2006 financial													480,640	
Quarter ended 2007 financial				123,285,777	125,880,874	127,670,143								



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stated term																				205,730		
stated rent term																				27,491,943	25,132,570	23,111,814
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	11,649,093	11,051,036	5,995,956	161,892,157	133,971,135	129,053,654	765,705	1,359,719	689,109	31,864,054	26,854,841	24,071,468	12,337,975	8,170,624	2,973,958	2,012,000	1,348,400	1,324,400	1,324,400	1,324,400	1,324,400	
<hr/>																						

b) Liabilities classified according to the interest rate that they accrued (in pesos)

	Trade accounts payable			Loans			Salaries and social security payable			Taxes payable			Other debts		
	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003	Dec. 31, 2004	June 30, 2004	Dec. 31, 2003
Fixed interest				161,962,593	132,638,551	127,670,143							2,228,624	2,196,666	
Variable interest rate															
Total	11,649,093	11,051,036	5,995,956	(70,436)	1,332,584	1,383,511	765,705	1,359,719	689,109	31,864,054	26,854,841	24,071,468	10,109,351	5,973,958	2,973,958
<hr/>															
	11,649,093	11,051,036	5,995,956	161,892,157	133,971,135	129,053,654	765,705	1,359,719	689,109	31,864,054	26,854,841	24,071,468	12,337,975	8,170,624	2,973,958
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**Cresud Sociedad Anónima Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements (Continued)**

**NOTE 10: RESTRICTIONS ON DISTRIBUTION OF PROFITS**

In accordance with the Argentine Corporations Law, the Company's by-laws and Resolution N° 368/2001 of the Comisión Nacional de Valores (C.N.V.), 5% of the net and realized profit for the year plus (less) prior year adjustments must be appropriated by resolution of shareholders to a legal reserve until such reserve equals 20% of the Company's outstanding capital.

**NOTE 11: SALE OF FARMS**

On June 30, 2004 a bill of sale was signed for the farm San Enrique, of 977 hectares, located in the Department of General López, Province of Santa Fe. The price for the sale of the farm was of US\$ 5,000,000 (US Dollars five million). The title deed had not been executed as of the closing of the financial statements. This sale will generate a profit of US\$ 4,300,000 (US Dollars four million and three hundred) approximately.

On August 25, 2004, a preliminary sales agreement was signed for the Ñacurutú farm, and on February 1, 2005 the title deed was signed. Ñacurutú is a 30,353-hectare property located in the Departments of Gral. Obligado and Vera in the Province of Santa Fe. The price was agreed at US\$ 5,615,256 (US Dollars five million six hundred and fifteen thousand, two thousand and fifty six). This sale will provide a profit of approximately US\$ 2,600,000.

**NOTE 12: STOCK OPTION PLAN**

As resolved upon at the General Extraordinary Shareholders Meeting at second call held on November 19, 2001 and in accordance with the resolutions adopted by the Board of Directors at its meeting dated December 7, 2001, the shareholders approved a Stock Option Plan (the Plan) relating to the shares that would remain after the shareholders exercised their pre-emptive rights to acquire treasury stock (the Shares), covering 4,614,643 shares.

The stock balance remaining after expiration of the preemptive and accretion periods is intended to be offered under the Incentive Plan approved at the above mentioned Shareholders Meeting, at Ps. 1 (one peso) par value, plus interest accrued as from actual exercise at a six-months LIBOR rate per annum. In accordance with the terms approved at the referred Shareholders Meeting, from a legal standpoint the implementation of the Plan is made by means of the transfer of the Shares in trust. From this balance, two thirds of the options relating to the Shares under the Plan were allocated for distribution by the Company's Board of Directors among certain executive officers. The remaining third was set aside for allotment by the Company's Board of Directors among any employees or executives at the time of allotment and 6 (six) months after the initial allotment, and up to 3 (three) months before the expiration of the exercise period.

In January 2002 an aggregate of 2,353 shares of Ps. 1 par value each were issued under the preferred offering of treasury stock.

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In April and June 2002, an aggregate of 480,000 shares of Ps. 1 par value each were issued to executive officers of the Company under the preferred offering of treasury stock.

**Cresud Sociedad Anónima Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements (Continued)**

**NOTE 12:** (Continued)

During the fiscal year ended on June 30, 2003, an aggregate of 3,559,853 shares of Ps. 1 per value each were issued to directors and executive officers of the Company under the preferred offering of treasury stock.

During the fiscal year ended on June 30, 2004, an aggregate of 332,437 shares of Ps. 1 per value each were issued to directors and executive officers of the Company under the preferred offering of treasury stock.

During the current period, an aggregate of 173,200 shares of Ps. 1 per value each were issued to directors and executive officers of the Company under the preferred offering of treasury stock.

After the exercise of the preference offer above mentioned, the remaining balance is 66,800 shares, at the end of the current period.

After the closing of the period, an aggregate of 66,800 shares of Ps. 1 per value each were issued to directors and executive officers of the Company under the preferred offering of treasury stock. As of January 15, 2005, the deadline for exercising the Stock Purchase Option, there was no pending exercise balance.

**NOTE 13: ISSUANCE OF CONVERTIBLE BONDS**

The Shareholders meeting held on March 8, 2002 approved:

- a) The issue of simple convertible bonds, non-convertible into shares of the Company, for an amount of up to US\$ 50,000,000 (or its equivalent in other currencies) for a maximum term of 5 years, accruing interest at a fixed rate not to exceed 12%; and/or,
- b) the issuance of convertible bonds into company's common stock, for a total amount of US\$ 50,000,000 (or its equivalent in other currency) with a maturity date in a term of 5 years or more according to the management's decision and a fix rate not exceeding 12% or floating rate with a reference rate such as LIBOR plus a spread not exceeding 10%.
- c) the subscription option, for the holders of convertible bonds, with a premium determined by the management, between 20 and 30% over the conversion price of the convertible bond, with a value that will remain constant in terms of US currency. The exercise of the above mentioned would occur quarterly, only for the holders of the convertible bonds who have exercised their conversion rights.

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Authorization for the public offer and quotation of convertible bonds has been approved by Resolution N° 14,320 of the Argentine Securities and Exchange Commission dated October 1, 2002 and by the Buenos Aires Stock Exchange, authorizing the issue up to US\$ 50,000,000 in securities composed by convertible bonds into common stock with an 8% annual interest rate due in the year 2007, granting the right at the moment of conversion to achieve 50,000,000 common stock subscription options. Likewise, the conversion price and the Warrants price established are as follows:

- a) The conversion price is US\$ 0.5078 stocks (US\$ 5.0775 ADS), while the Warrant price is US\$ 0.6093 stocks (US\$ 6.0930 ADS).

**Cresud Sociedad Anónima Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements (Continued)**

**NOTE 13:** (Continued)

- b) For each of Cresud's convertible bond the holder has the right to convert it to US\$ 1.96928 stocks (US\$ 0.1969 ADS) and has an option to purchase the same amount of stock at the price of the Warrant.

Convertible bonds and options will be due on November 14, 2007.

Convertible bonds were paid in cash and the proceeds will be destined to the subscription of IRSA's Convertible Bonds and for the generation of working capital.

During the fiscal year ended on June 30, 2003, 196,084 Convertible Bonds were converted into 386,140 ordinary shares, which resulted in a Ps. 593,038 increase in the Company's net shareholders' equity.

During the fiscal year ended on June 30, 2004, 6,670,763 Convertible Bonds were converted into 13,136,577 ordinary shares, which resulted in a Ps. 19,364,974 increase in the Company's net shareholders' equity. During the same year, 6,583,995 Warrants were exercised, resulting in the issuance of 12,965,710 ordinary shares for Ps. 23,068,638.

During the current period, 1,259,290 Convertible Bonds were converted into 2,479,890 ordinary shares, which resulted in a Ps. 3,740,628 increase in the Company's net shareholders' equity. In the same period, 1,251,644 warrants were exercised, resulting in the issuance of 2,464,833 common shares for Ps. 4,474,246.

**NOTE 14: PURCHASE OF CONVERTIBLE BONDS**

During November and December 2002 49,692,688 convertible bonds issued by IRSA were purchased; these can be converted into common stock with an 8% annual interest rate and due in 2007, and grant the holder at the time of conversion to 49,692,688 options to subscribe common stock. The conversion price and the warrants price established are as follows:

- a) The conversion price is US\$ 0.5571 stocks (US\$ 5.5713 GDS), while the warrant price is US\$ 0.6686 stocks (US\$ 6.6856 GDS)
- b) For each of IRSA's convertible bond the holder has the right to convert it to 1.7949 stocks (0.1795 GDS) and has an option to purchase the same amount of stock at the price of the warrant.

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Due to the distribution of 4,587,285 stocks of the company's portfolio, IRSA has re stated the conversion price of its convertible bonds according to the subscription clauses.

The conversion price of the convertible bonds went from US\$ 0.5571 to US\$ 0.54505 and the warrants price went from US\$ 0.6686 to US\$ 0.6541. Such adjustment was effective as from December 20, 2002.

Convertible bonds and options are due on November 14, 2007.

During the months of July and November 2003 the Company purchased 250,500 Notes, and in May 2004 it converted 5,000,000 Notes into 9,174,312 common shares. Therefore, as of June 30, 2004, the Company held 44,943,168 Notes.

**Cresud Sociedad Anónima Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements (Continued)**

**NOTE 14:** (Continued)

During the fiscal year ended on June 30, 2004, third parties bearers of convertible bonds into IRSA's ordinary stock have exercised their conversion and warrant rights for a total amount of Ps. 62,8 million originating the issuance of 27,616,878 ordinary shares with a nominal value of Ps. 1 each. As a consequence of the exercise of such conversion rights, the company has registered a Ps. 10.3 million loss originated by the dilution of their equity share in IRSA, which is shown in Results of subsidiaries Law 19,550 and related companies in the Statements of Income.

As of June 30, 2004, this effect was reverted due to the exercise of share conversion rights mentioned above.

In July 2004 the Company purchased 350,000 Notes issued by IRSA Inversiones y Representaciones Sociedad Anónima for US\$ 511,115.

During this period, third parties holders of Notes Convertible into common shares of IRSA have exercised their conversion and have effective their exercise of warrants for a total of Ps. 6.3 million, resulting in the issuance of 3,542,943 common shares of Ps. 1 par value each. On the other hand, the Company exercised warrants for a total of Ps. 17.7 million, resulting in the issuance of 9,174,311 common shares of Ps. 1 par value each. As a result of these transactions, as of December 31, 2004 the Company recorded Ps. 12.6 million as negative goodwill against which the impact of losses for dilutions due to the exercise of conversions and/or warrants from third party holders of IRSA's Convertible Notes will be recognized.

**NOTE 15: IRSA Inversiones y Representaciones Sociedad Anónima (IRSA) INCREASE TO INVESTMENT IN BANCO HIPOTECARIO S.A. (BHSA)**

On December 30, 2003, IRSA Group purchased 4,116,267 shares of Banco Hipotecario S.A. at US\$ 2,3868 each and 37,537 options at US\$ 33.86 each, achieving the right to purchase an additional amount totaling 3,753,700 shares. Such transaction implied a disburse amounting US\$ 11.1 million.

Furthermore, on February 2, 2004, IRSA Group exercised a substantial portion of the options acquired mentioned above, jointly with the options held before the end of the year. In this respect, 4,773,853 shares were acquired for a total amount of Ps. 33.4 million.

During the last quarter of fiscal year 2004, the IRSA Group sold a portion of its shareholding in Banco Hipotecario S.A. (2,487,571 shares) to IFIS S.A. (indirect shareholder of the Company) for a unit price of Ps. 7 (market value). The total amount of the transaction was US\$ 6.1 million and generated a loss of Ps. 1.61 million.



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At the date of issuance of the present financial statements, IRSA's ownership of BHSA shares amounts 17,641,015.

**Cresud Sociedad Anónima Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements (Continued)**

**NOTA 16: LOANS**

During this semester, the Company has developed an external funding strategy to raise working capital for the crop season at convenient rates and terms consisting in the pre-financing of exports, which allow us to develop new businesses optimizing risks and have the liquidity required to take advantage of any investment opportunities that may arise.

Therefore, as of December 31, 2004, current loans with local financial institutions amounted to Ps. 37.2 million. This allowed us to promote new production projects and generate a more efficient capital structure for the Company.

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Fixed Assets

Corresponding to the period beginning as from July 1, 2004

and ended on December 31, 2004

comparative with the year ended on June 30, 2004 and with the period ended on December 31, 2003

(Notes 1 and 2)

## Schedule A

Principal Account	Depreciation											
	Value at	Additions	Deductions	Value at	Accumulated			Accumulated	Net carrying	Net	Net carry	
	the beginning	and/or	and/or	the end of	Rate %	at the beginning	Decrease	Current	at the end of	value at	carrying	value at
of the year	transfers	transfers	period/year		of the year	of the period/ year	period/ year	period/year	December 31, 2004	June 30, 2004	December 2003	
	Pesos	Pesos	Pesos	Pesos		Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos
Real estate	120,668,102	352,353		121,020,455						121,020,455	120,668,102	118,017,000
Electric fences	4,176,054			4,176,054	3	834,294	62,897	897,191	3,278,863	3,341,760	3,404,000	
Watering troughs	3,136,281			3,136,281	5	895,579	80,020	975,599	2,160,682	2,240,702	2,288,000	
Alfa fields and meadows	1,686,488	316,797		2,003,285	12-25-50	1,105,794	198,255	1,304,049	699,236	580,694	735,000	
Buildings and constructions	5,431,487	118,986		5,550,473	2	2,063,502	45,270	2,108,772	3,441,701	3,367,985	3,310,000	
Machinery	8,285,123	9,335	34,177	8,260,281	10	5,633,188	29,397	384,284	2,272,206	2,651,935	3,041,000	
Trucks	1,304,710	224,475	105,098	1,424,087	20	654,956	62,006	127,142	720,092	703,995	419,000	
Trucks	193,361	1,450		194,811	10	130,040	7,350	137,390	57,421	63,321	66,000	
Furniture and equipment	996,477	35,046		1,031,523	10	644,610	44,671	689,281	342,242	351,867	329,000	
Trucks and leading wheeled vehicles	608,664			608,664	3	111,773	9,078	120,851	487,813	496,891	493,000	
Trucks	1,093,420	2,146		1,095,566	10	603,155	54,800	657,955	437,611	490,265	547,000	
Utilities	7,414,628	6,080	32,946	7,387,762	10-20-33	3,567,870	385,078	3,952,948	3,434,814	3,846,758	2,818,000	
Computer equipment	1,199,977	196,375	296	1,396,056	20	969,121	296	70,634	1,039,459	356,597	230,856	
Trucks	1,169,114			1,169,114	5	315,645	31,537	347,182	821,932	853,469	882,000	
Trucks in process	11,568,150	3,408,521		14,976,671					14,976,671	11,568,150	4,847,000	
Advances to suppliers	144,683	534,224	144,683	534,224					534,224	144,683	17,000	
Total at December 2004	169,076,719	5,205,788	317,200	173,965,307		17,529,527	91,699	1,501,016	18,938,844	155,026,463		

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l at June 30,	159,535,365	14,880,715	5,339,361	169,076,719	17,652,983	3,116,505	2,993,049	17,529,527	151,547,192
l at December	159,535,365	3,080,424	4,265,027	158,350,762	17,652,983	2,088,675	1,358,544	16,922,852	141,427

**Cresud Sociedad Anónima**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Unaudited Investments**

Corresponding to the period beginning as from July 1, 2004 and ended on December 31, 2004  
comparative with the year ended on June 30, 2004 and with the period ended on December 31, 2003

(Notes 1 and 2)

**Schedule C**

Type and characteristics of the securities	Amount	Value at			Market Value	Principal activity	INFORMATION ON THE ISSUER		
		Value at	Value at	Value at			Latest financial statements		
		December 31, 2004	June 30, 2004	December 31, 2003			Capital	Income (loss)	Shareholders Equity
	Pesos	Pesos	Pesos	Pesos		Pesos	Pesos	Pesos	
<b>Current Investments</b>									
Mutual Funds									
Fondo especial Banco Rio in pesos	110,475	25,029			0.226558				
Fondo plazo fijo Banco Rio in dollars	1,862	2,523	4,081	3,999	1.354995				
		<u>27,552</u>	<u>4,081</u>	<u>3,999</u>					
Notes and Convertible Bonds									
Interest of Convertible Bonds 2007-IRSA(US\$)									
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:									
IRSA Inversiones y Representaciones S.A.									
		1,499,204	1,388,504	1,560,891					
Bonos Global 2010	110,000	112,343	97,096	90,288	1.021300				
Bocon Pro 1	157,647	630	630	630	0.003996				
		<u>1,612,177</u>	<u>1,486,230</u>	<u>1,651,809</u>					
Total current investment		<u>1,639,729</u>	<u>1,490,311</u>	<u>1,655,808</u>					
<b>Non-current investments</b>									
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:									
AGRO-URANGA S.A.									
					Agricultural unlisted and livestock	2,500,000	1,551,749	13,035,586	

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Shares	893,069	4,523,238	5,230,031	4,313,051				
Contribution on account of future subscriptions of shares		7,865	7,865	7,865				
Higher value of property		11,179,150	11,179,150	11,179,150				
		<u>15,710,253</u>	<u>16,417,046</u>	<u>15,500,066</u>				
<b>INVERSIONES GANADERAS S.A.</b>					Raising and			
					unlisted grazing cattle	5,326,589	351,644	11,477,885
Shares	5,326,588	10,748,274	10,396,631	10,253,055				
Contribution on account of future subscriptions of shares		729,585	729,585	729,584				
		<u>11,477,859</u>	<u>11,126,216</u>	<u>10,982,639</u>				
<b>CACTUS ARGENTINA S.A.</b>					Exploitation and			
					unlisted administration of agricultural and beef cattle products	1,300,000	(138,566)	6,419,664
Shares	650,000	1,074,214	1,143,497	937,100				
Contribution on account of future subscriptions of shares		2,135,618	2,135,618	2,135,543				
		<u>3,209,832</u>	<u>3,279,115</u>	<u>3,072,643</u>				
<b>FUTUROS Y OPCIONES.COM S.A.</b>					Gives information about markets and services of economic and financial consulting through			
					unlisted internet	12,000	(200,285)	17,795
Shares	8,400	(2,714,336)	(2,574,138)	(2,483,616)				
Contribution on account of future subscriptions of shares		2,726,793	2,726,793	2,726,641				
		<u>12,457</u>	<u>152,655</u>	<u>243,025</u>				
<b>IRSA Inversiones y Representaciones S.A.</b>					listed Real state			
Shares	69,242,276	275,510,169	244,002,522	190,567,676		261,520,248	56,756,060	1,040,570,752
		<u>275,510,169</u>	<u>244,002,522</u>	<u>190,567,676</u>				
	Subtotal	<u>305,920,570</u>	<u>274,977,554</u>	<u>220,366,049</u>				
<b>Other Investments</b>								
Convertible Bonds 2007- IRSA (US\$)								
Subsidiaries, related companies Law N° 19,550 Section 33 and related parties:								
IRSA Inversiones y Representaciones S.A.								
Coprolán	45,293,168	134,928,347	132,941,891	146,333,542	unlisted			
		<u>20,717</u>	<u>20,717</u>	<u>20,717</u>				
	Subtotal	<u>134,949,064</u>	<u>132,962,608</u>	<u>146,354,259</u>				
<b>Goodwill</b>								
Goodwill		329,838	659,676	989,514				
IRSA negative goodwill		(36,656,319)	(26,529,022)	(20,921,124)				

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	<u>          </u>	<u>          </u>	<u>          </u>
Subtotal	(36,326,481)	(25,8f69,346)	(19,931,610)
	<u>          </u>	<u>          </u>	<u>          </u>
Total non-current investments	404,543,153	382,070,816	346,788,698
	<u>          </u>	<u>          </u>	<u>          </u>

**Cresud Sociedad Anónima**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria**  
**Unaudited Allowances**

Corresponding to the period beginning as from July 1, 2004

and ended on December 31, 2004

comparative with the year ended on June 30, 2004 and with the period ended on December 31, 2003

(Notes 1 and 2)

**Schedule E**

<b>Item</b>	<b>Opening balances</b>	<b>Deductions</b>	<b>Value at December 31, 2004</b>	<b>Value at June 30, 2004</b>	<b>Value at December 31, 2003</b>
	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>
<b>Deducted from assets</b>					
Defaulting debtors	387,067	(38,532)	348,535	387,067	424,197
<b>Total at December 31, 2004</b>	<b>387,067</b>	<b>(38,532)</b>	<b>348,535</b>		
<b>Total at June 30, 2004</b>	<b>454,125</b>	<b>(67,058)</b>		<b>387,067</b>	
<b>Total at December 31, 2003</b>	<b>454,125</b>	<b>(29,928)</b>			<b>424,197</b>



**Cresud Sociedad Anónima**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Unaudited Cost of sales**

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

(Notes 1 and 2)

**Schedule F**

Crops		Beef cattle		Milk		Others		Total		
December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	
Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos
		55,198,055	45,097,923	4,150,630	2,294,684			59,348,685	47,392,607	
8,639,910	6,301,776							8,639,910	6,301,776	
1,603,897	1,112,230							1,603,897	1,112,230	
		134,870	106,386	103,508	58,969			238,378	165,355	
3,842,219	1,222,255			44,982	33,362	154,393	169,094	4,041,594	1,424,711	
14,086,026	8,636,261	55,332,925	45,204,309	4,299,120	2,387,015	154,393	169,094	73,872,464		
		5,484,966	1,010,632	259,170	229,450			5,744,136		
2,088,522	753,010							2,088,522		
(149,403)	(164,529)							(149,403)		
(464,153)	(35,860)					(39,695)	(1,367)	(503,848)		
(6,646,273)	(2,783,694)	(136,871)	(149,777)	(376,780)	(204,552)	(262,674)	(283,890)	(7,422,598)		

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		101,950	139,734	(101,950)	(139,734)					
25,562,280	11,876,012	3,097,849	4,009,929	398,128	563,961	335,654	277,057		29,393,911	
4,562,016	3,397,918	9,279,058	6,367,720	976,650	933,330	33,144			14,850,868	
		(58,540,015)	(48,133,395)	(4,439,780)	(3,253,871)			(62,979,795)		(51,387,266)
(4,803,409)	(3,782,649)							(4,803,409)		(3,782,649)
(20,090,681)	(9,374,173)							(20,090,681)		(9,374,173)
		(88,843)	(62,725)	(78,055)	(76,619)			(166,898)		(139,344)
(2,753,105)	(1,378,359)			(59,538)	(42,704)	(212,268)	(159,476)	(3,024,911)	(91,065,694)	(1,580,539)
11,391,820	7,143,937	14,531,019	8,386,427	876,965	396,276	8,554	1,418		26,808,358	

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Foreign currency assets and liabilities

Corresponding to the period beginning as from July 1, 2004 and ended on December 31, 2004

comparative with the year ended on June 30, 2004 and with the period ended on December 31, 2003

(Notes 1 and 2)

Schedule G

Item	December 31, 2004			June 30, 2004		December 31, 2003	
	Type and amount of foreign currency	Current exchange rate	Amount in local currency	Type and amount of foreign currency	Amount in local currency	Type and amount of foreign currency	Amount in local currency
		Pesos	Pesos		Pesos		Pesos
<b>Current Assets</b>							
Cash and banks							
Cash and banks	US\$ 8,832,605	2.94	25,959,026	US\$ 2,472,934	7,216,021	US\$ 6,574,705	18,935,149
Investments:							
Mutual funds	US\$ 858	2.94	2,523	US\$ 1,399	4,081	US\$ 1,389	3,999
Interest of Convertible Bonds 2007 - IRSA Subsidiaries, related companies Law 19,550 Article 33 and related parties:							
IRSA Inversiones y Representaciones Sociedad Anónima	US\$ 503,257	2.98	1,499,204	US\$ 469,406	1,388,504	US\$ 541,976	1,560,891
Trade accounts receivable:							
Trade accounts receivable	US\$ 325,277	2.94	955,988	US\$ 1,295	3,779	US\$ 22,100	63,648
Other receivables and prepaid expenses:							
Secured by mortgages	US\$ 359,202	2.94	1,055,695	US\$ 354,351	1,033,997	US\$ 368,726	1,061,931
Guarantee deposits	US\$ 78,977	2.94	232,112	US\$ 750,171	2,188,998	US\$ 502,324	1,446,694
<b>Non-Current Assets</b>							
Other receivables and prepaid expenses:							
Secured by mortgages	US\$			US\$		US\$ 350,000	1,008,000
Investments:							
Convertible Bonds 2007 - IRSA							

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Subsidiaries, related companies Law 19,550 Article 33 and related parties:								
IRSA Inversiones y Representaciones Sociedad Anónima	US\$ 45,293,168	2.98	134,928,347	US\$ 44,943,168	132,941,891	US\$ 49,943,188	146,333,542	
<b>Total Assets</b>	<b>US\$ 55,393,344</b>		<b>164,632,895</b>	<b>US\$ 48,992,724</b>	<b>144,777,271</b>	<b>US\$ 58,304,408</b>	<b>170,413,854</b>	
<b>Current liabilities</b>								
Trade accounts payable:								
Suppliers	US\$ 909,655	2.98	2,709,862	US\$ 375,360	1,110,314	US\$ 315,684	924,954	
Accrual for other expenses	US\$ 714,893	2.98	2,129,666	US\$ 499,662	1,477,683	US\$ 155,191	454,710	
Loans:								
Local financial loans	US\$ 4,068,000	2.98	12,118,572	US\$		US\$		
Interest of Convertible Bonds 2007	US\$ 199,036	2.98	592,928	US\$ 199,202	589,239	US\$ 209,153	612,819	
Subsidiaries, related companies Law 19,550 Article 33 and related parties:								
Shareholders	US\$ 266,145	2.98	792,845	US\$ 250,176	740,021	US\$ 261,887	767,329	
Directors	US\$ 85	2.98	252	US\$ 1,124	3,324	US\$ 1,148	3,363	
Other debts:								
Advances to customers	US\$ 1,411,516	2.98	4,204,906	US\$ 1,500,000	4,432,500	US\$		
Subsidiaries, related companies Law 19,550 Article 33 and related parties:								
Cactus Argentina S.A.	US\$ 70,000	2.94	205,730					
<b>Non-current liabilities</b>								
Loans:								
Convertible Bonds 2007	US\$ 17,913,238	2.98	53,363,537	US\$ 19,072,528	56,416,538	US\$ 19,608,130	57,451,821	
Subsidiaries, related companies Law 19,550 Article 33 and related parties:								
Shareholders	US\$ 23,953,025	2.98	71,356,061	US\$ 23,953,025	70,853,048	US\$ 24,551,900	71,937,067	
Directors	US\$ 7,600	2.98	22,640	US\$ 107,600	318,281	US\$ 107,600	315,268	
<b>Total Liabilities</b>	<b>US\$ 49,513,192</b>		<b>147,496,999</b>	<b>US\$ 45,958,677</b>	<b>135,940,948</b>	<b>US\$ 45,210,693</b>	<b>132,467,331</b>	

US\$: US dollars

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Information submitted in compliance with Section 64, subsection B of Law N° 19,550

Corresponding to the periods beginning as from July 1, 2004 and 2003

and ended on December 31, 2004 and 2003

(Notes 1 and 2)

## Schedule H

Items	Total December 31, 2004	Operating Expenses					Expenses		Total December 31, 2003
	Pesos	Total Pesos	Crops Pesos	Beef cattle Pesos	Milk Pesos	Others Pesos	Selling Pesos	Administrative Pesos	Pesos
Directors fees	46,408							46,408	3,730
Fees and payments for services	503,171	99,766	5,726	84,599	6,875	2,566		403,405	632,450
Salaries and wages	2,554,573	1,117,629	249,754	721,814	146,061			1,436,944	3,223,972
Social security contributions	464,522	193,744	81,521	99,711	12,512			270,778	382,284
Taxes, rates and contributions	203,632	179,811	54,344	110,097	15,370			23,821	196,533
Gross sales taxes	260,488						260,488		266,305
Office and administrative expenses	219,318							219,318	79,991
Bank commissions and expenses	6,855	6,855	1,891	3,992	182	790			9,961
Depreciation of fixed assets	1,501,016	1,355,948	759,378	487,833	100,400	8,337		145,068	1,358,544
Vehicle and travelling expenses	295,806	154,337	58,029	82,165	6,901	7,242		141,469	233,684
Spare parts and repairs	598,008	598,008	311,710	248,881	36,717	700			503,317
Insurance	118,787	30,585	13,667	13,000	1,372	2,546		88,202	160,596
Employees maintenance	174,362	127,259	21,643	101,090	4,468	58		47,103	76,324
Livestock expenses	7,852,215	7,247,491		7,247,491			604,724		4,907,955
Dairy farm expenses	643,214	636,126			636,126		7,088		584,715
Agricultural expenses	4,465,418	2,929,287	2,929,287				1,536,131		3,058,699
Silo expenses	41,963	41,963	41,963						123,395
General expenses	132,059	132,059	33,103	78,385	9,666	10,905			235,618
<b>Total at December 31, 2004</b>	<b>20,081,815</b>	<b>14,850,868</b>	<b>4,562,016</b>	<b>9,279,058</b>	<b>976,650</b>	<b>33,144</b>	<b>2,408,431</b>	<b>2,822,516</b>	
<b>Total at December 31, 2003</b>		<b>10,698,968</b>	<b>3,397,918</b>	<b>6,367,720</b>	<b>933,330</b>		<b>2,102,952</b>	<b>3,236,153</b>	<b>16,038,073</b>

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria

Additional Information to the Notes to the Unaudited Financial Statements

for the period ended December 31, 2004

1. LEGAL FRAMEWORK

There are no specific significant legal regimes that would imply contingent suspension or application of the benefits included in these regulations.

2. RELEVANT MODIFICATONS IN THE COMPANY S ACTIVITIES

They are detailed in the Unaudited Business Highlight, which is attached to the present financial statements.

3. CLASSIFICATION OF OUTSTANDING ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES ACCORDING TO THEIR MATURITY

- a. Other Receivables without a due date at December 31, 2004.

	Intercompany Law N° 19,550 Section 33			
		FYO	Agro-Uranga	Cactus
	Other	Other	Other	Other
	Receivables	Receivables	Receivables	Receivables
	Pesos	Pesos	Pesos	Pesos
Current	3,537,666	23,603	234,279	1,040,575

- b. Accounts Receivable and other receivables to fall due at December 31, 2004

Intercompany			Intercompany
Law N° 19,550 Section 33			Law N° 19,550 Section 33
IGSA	FYO	Cactus	Cactus

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	Trade Accounts Receivable	Trade Accounts Receivable	Trade Accounts Receivable	Trade Accounts Receivable	Other Receivables	Other Receivables
	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos
03.31.05	5,815,017	29,195	424,147	30,261	2,411,856	
06.30.05					283,975	313,753
09.30.05						
06.30.06					99,148	

**4. CLASSIFICATION OF OUTSTANDING DEBTS ACCORDING TO THEIR MATURITY**

- a. There are no past due debts at December 31, 2004.
- b. Debts without a due date at December 31, 2004 amount to Ps. 205,730 current and Ps. 27,491,943 non-current.

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Additional Information to the Notes to the Unaudited Financial Statements

(Continued)

## 4. CLASSIFICATION OF OUTSTANDING DEBTS ACCORDING TO THEIR MATURITY (Continued)

c. Debts to fall due at December 31, 2004

	Intercompany			Salaries			Intercompany
	Law N° 19,550 Section 33			and			Law N° 19,550 Section 33
	Accounts Payable	IRSA	Cactus	Social			IGSA Other Debts
		Security	Tax	Other	Debts	Other	
	Accounts Payable	Loans	Charges	Payable	Debts	Other Debts	
	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos
03.31.05	11,002,617	116,259	530,217	22,353,572	444,433	160,017	4,396,907
06.30.05				1,386,025		1,594,461	5,506,714
09.30.05				14,866,783	321,272		
12.31.05						2,617,633	1,747,984
12.31.06							480,640
12.31.07				123,285,777			

## 5. CLASSIFICATION OF OUTSTANDING ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES ACCORDING TO THEIR FINANCIAL EFFECTS

a.

	Intercompany				Other Receivables	Intercompany		
	Law N° 19,550 Section 33					Law N° 19,550 Section 33		
	IGSA	FYO	Cactus			Cactus	FYO	Agro- Uranga
	Trade Accounts Receivable	Trade Accounts Receivable	Trade Accounts Receivable	Trade Accounts Receivable		Other Receivables	Other Receivables	Other Receivables
	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	
In pesos	4,859,029	29,195	424,147	30,261	5,044,837	1,354,328	23,603	234,279
In US Dollars	955,988				1,287,807			



- b. All accounts receivable and other receivables are not subject to adjustment provisions.

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Additional Information to the Notes to the Unaudited Financial Statements

(Continued)

c.

	Intercompany					Intercompany		
	Law N° 19,550 Section 33					Law N° 19,550 Section 33		
	IGSA	FYO	Cactus	Other Receivables	Other Receivables	Cactus	FYO	IRSA
	Trade Accounts Receivables	Trade Accounts Receivables	Trade Accounts Receivables			Other Receivables	Other Receivables	Other Receivables
Trade Accounts Receivable Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	
Outstanding balances accruing interests				1,182,148	313,753			
Outstanding balances not accruing interests	5,815,017	29,195	424,147	30,261	10,330,823	1,040,575	23,603	234,279

## 6. CLASSIFICATION OF DEBTS ACCORDING TO THEIR FINANCIAL EFFECTS

a.

	Intercompany			Loans	Salaries and Social Security Charges		Intercompany	
	Law N° 19,550 Section 33				Taxes Payable	Law N° 19,550 Section 33		
	IRSA	Cactus	Other			IGSA	Cactus	
	Accounts Payable	Accounts Payable	Accounts Payable		Other Debts	Other Debts		
Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	
In pesos	6.163.089	116.259	530.217	23.645.322	765.705	31.864.054	5.698.715	2.228.624
In US Dollars	4.839.528			138.246.835			4.204.906	205.730

b. All debts outstanding are not subject to adjustment provisions.

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Additional Information to the Notes to the Unaudited Financial Statements

(Continued)

c.

Accounts Payable	Intercompany Law N° 19,550 Section 33		Loans	Salaries and Social Security Charges			Intercompany Law N° 19,550 Section 33	
	IRSA	Cactus		Taxes Payable	Other	Cactus	IGSA	
	Accounts Payable			Pesos	Pesos	Pesos	Other Debts	
	Pesos	Pesos		Pesos	Pesos	Pesos	Pesos	Pesos
Outstanding debts accruing Interests			161,962,593					2,228,624
Outstanding debts not accruing interests	11,002,617	116,259	530,217	(70,436)	765,705	31,864,054	9,903,621	205,730

**7. INTEREST IN OTHER COMPANIES (Law N° 19,550 Section 33)**

Interests in other companies capital and the number of votes held in those companies governed by Law N° 19,550 Section 33 are explained in Note 2 to the unaudited consolidated financial statements and intercompany balances as of December 31, 2004 are described in points 4 and 5 above.

**8. RECEIVABLES FROM OR LOANS TO DIRECTORS AND SUPERVISORY COMMITTEE MEMBERS**

At December 31, 2004 there were advance payments to directors for Ps. 2,865, and there were no receivables due from or loans to syndics and relatives up to and including second degree, of directors and syndics.

**9. PHYSICAL INVENTORIES**

The company conducts physical inventories once a year in each property, covering all the assets under such account. There is no relevant immobilization of inventory.

**10. VALUATION OF INVENTORIES**

We further inform the sources for the information used to calculate the current value:

- a. Cattle for fattening, valued at the market value net of estimated sale expenses: quotation in the Liniers Livestock Market ( Mercado de Hacienda de Liniers ).
  
- b. Cattle for raising and daily production valued at its replacement cost: according to specific appraisals made by renowned experts.
  
- c. Crops: official quotation of the Cámara Arbitral de Cereales for the port closest to the warehouse, published by media of wide circulation ( La Nación Newspaper ) net of estimated sale expenses.

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Additional Information to the Notes to the Unaudited Financial Statements**

**(Continued)**

d. The remaining inventory stated at its replacement cost: seeds, forage and materials: replacement cost published by a well-known magazine ( Revista Agromercado ).

**11. TECHNICAL REVALUATION OF FIXED ASSETS**

There are no fixed assets subject to technical revaluation.

**12. OBSOLETE FIXED ASSETS**

There are no obsolete fixed assets with accounting value.

**13. MINORITY INTEREST**

There are no minority interests in other companies in excess of the provisions of Law N° 19,550 Section 33.

**14. RECOVERABLE VALUES**

The recoverable value of the inventory under consideration is the net realizable value (selling price at the end of the year less estimated selling expenses). The recoverable value of fixed assets under consideration is the economic use value determined by the possibility of absorbing the amortizations with the income of the Company.

**15. INSURANCES**

The types of insurance used by the company are the following:

<u>Insured property</u>	<u>Risk covered</u>	<u>Amount insured</u>	<u>Account Value</u>
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		Pesos	Pesos
Buildings, machinery, silos and furniture	Theft, fire and technical insurance	2.792.050	7.234.678
Vehicles	Theft, fire and civil and third parties liability	1.420.707	703.995

**16. PROVISIONS**

There are no provisions in excess of 2% of the shareholders' equity.

**17. CONTINGENCIES**

At December 31, 2004 there are no contingent situations that have not been accounted for.

**18. IRREVOCABLE CONTRIBUTIONS TO CAPITAL ON ACCOUNT OF FUTURE SUBSCRIPTIONS**

None.

**19. DIVIDENDS ON PREFERRED STOCK**

There are no cumulative dividends not paid on preferred stock.

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Additional Information to the Notes to the Unaudited Financial Statements**

**(Continued)**

**20. LIMITATIONS OF PROFIT DISTRIBUTIONS**

See Note 10 to the Unaudited Financial Statements.

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## UNAUDITED BUSINESS HIGHLIGHTS

## Comparative Shareholders Equity Structure

	At December 31, 2004	At December 31, 2003	At December 31, 2002	At December 31, 2001	At December 31, 2000
	Pesos	Pesos	Pesos	Pesos	Pesos
Current Assets	89,091,991	69,522,344	82,707,765	131,390,490	160,544,471
Non Current Assets	609,533,419	525,729,702	497,572,921	235,135,415	266,777,336
<b>Total Assets</b>	<b>698,625,410</b>	<b>595,252,046</b>	<b>580,280,686</b>	<b>366,525,905</b>	<b>427,321,807</b>
Current Liabilities	66,430,672	12,520,393	27,866,941	61,417,713	30,154,605
Non Current Liabilities	152,099,365	151,890,701	193,294,773	1,164,992	1,370,658
<b>Total Liabilities</b>	<b>218,530,037</b>	<b>164,411,094</b>	<b>221,161,714</b>	<b>62,582,705</b>	<b>31,525,263</b>
Minority Interest	5,366	104,178	318,671	347,591	126,600
Shareholders Equity	480,090,007	430,736,774	358,800,301	303,595,609	395,669,944
	698,625,410	595,252,046	580,280,686	366,525,905	427,321,807

## Comparative Income Structure

	At December 31, 2004	At December 31, 2003	At December 31, 2002	At December 31, 2001	At December 31, 2000
	Pesos	Pesos	Pesos	Pesos	Pesos
Operating income	7,058,416	5,486,663	20,659,485	1,312,814	6,227,497
Financial and holding results	(2,194,831)	602,205	(13,012,668)	(83,463,137)	7,204,226
Other income and expenses and results from related companies	10,781,030	2,359,620	39,728,645	(589,446)	(669,708)
Management fees	(1,059,305)	(529,129)	(3,419,171)		(1,104,648)
<b>Operating net income (loss)</b>	<b>14,585,310</b>	<b>7,919,359</b>	<b>43,956,291</b>	<b>(82,739,769)</b>	<b>11,657,367</b>
Income tax	(5,111,658)	(3,259,735)	(7,964,246)		(1,904,747)



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Minority interest	60,085	102,532	112,129	186,145	189,208
Net income (loss)	9,533,737	4,762,156	36,104,174	(82,553,624)	9,941,828

**Production volume**

	Accumulated		Accumulated		Accumulated		Accumulated		Accumulated
	July 1,		July 1,		July 1,		July 1,		July 1,
	2004 to		2003 to		2002 to		2001 to		2000
	2Q December 31,	December 31,	2Q December 31,	December 31,	2Q December 31,	December 31,	2Q December 31,	December 31,	2Q December 31,
	2004	2004	2003	2003	2002	2002	2001	2001	2000
Cattle									
(kg.)	4,261,029	5,987,932	3,027,981	5,111,038	3,253,774	5,505,936	1,960,698	5,249,556	4,117,652
Grainaceous									
(kg.)	72,518	125,596	71,199	135,196	56,314	113,688	70,843	153,063	66,024
(quintals)*	205,947	224,380	115,712	140,050	74,744	128,056	187,752	211,134	81,956

\* One quintals equals one hundred kilograms

Saúl Zang  
First Vice-Chairman  
serving as Acting Chairman

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria

UNAUDITED BUSINESS HIGHLIGHTS (Continued)

Sales volume

Accumulated July 1, 2004		Accumulated July 1, 2003		Accumulated July 1, 2002		Accumulated July 1, 2001		Accumulated July 1, 2000	
2Q December 31, 2004	to December 31, 2004	2Q December 31, 2003	to December 31, 2003	2Q December 31, 2002	to December 31, 2002	2Q December 31, 2001	to December 31, 2001	2Q December 31, 2000	to December 31, 2000
4,037,087	8,952,625	3,454,520	6,621,506	2,250,703	4,855,825	4,448,217	9,531,526	4,544,073	
72,518	125,596	71,199	135,196	56,314	113,688	70,843	153,063	66,024	
125,556	319,058	113,710	236,011	338,738	711,420	80,809	506,789	506,077	

\* One quintals equals one hundred kilograms

Local Market

Accumulated July 1, 2004		Accumulated July 1, 2003		Accumulated July 1, 2002		Accumulated July 1, 2001		Accumulated July 1, 2000	
2Q December 31, 2004	to December 31, 2004	2Q December 31, 2003	to December 31, 2003	2Q December 31, 2002	to December 31, 2002	2Q December 31, 2001	to December 31, 2001	2Q December 31, 2000	to December 31, 2000
4,037,087	8,952,625	3,454,520	6,621,506	2,250,703	4,855,825	4,448,217	9,531,526	4,544,073	
72,518	125,596	71,199	135,196	56,314	113,688	70,843	153,063	66,024	

125,556	319,058	113,710	236,011	338,738	711,420	80,809	506,789	506,077
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\* One quintals equals one hundred kilograms

**Exports**

Accumulated July 1, 2004		Accumulated July 1, 2003		Accumulated July 1, 2002		Accumulated July 1, 2001		Accumulated July 1, 2000	
2Q December 31, to December 31, 2004	2Q December 31, to December 31, 2004	2Q December 31, to December 31, 2003	2Q December 31, to December 31, 2003	2Q December 31, to December 31, 2002	2Q December 31, to December 31, 2002	2Q December 31, to December 31, 2001	2Q December 31, to December 31, 2001	2Q December 31, to December 31, 2000	2Q December 31, to December 31, 2000

\* One quintals equals one hundred kilograms

**Ratios**

	At December 31, 2004	At December 31, 2003	At December 31, 2002	At December 31, 2001	At December 31, 2000
	Pesos	Pesos	Pesos	Pesos	Pesos
Liquidity	1.341	5.553	2.968	2.139	5.324
Solvency	2.197	2.620	1.622	4.851	12.551
Fixed of capital	0.872	0.883	0.857	0.642	0.624
Return on Equity	0.020	0.012	0.106	(0.245)	0.026

Saúl Zang  
First Vice-Chairman



**Cresud Sociedad Anónima Comercial,  
Inmobiliaria, Financiera y Agropecuaria**

**Unaudited Business Highlight**

**Buenos Aires, February 10, 2005** - Cresud S.A.C.I.F. y A. (Nasdaq: CRESY BASE: CRES), one of the leading agricultural companies in Argentina, announces today the results corresponding to the first semester of fiscal year 2005 ended on December 31, 2004.

**Results for the first semester of Fiscal Year 2005 showed a net profit of Ps. 9.5 million** as compared to a Ps. 4.8 million profit registered during the same period of the previous Fiscal Year, denoting a 100.2% increase.

The increase in the net result is mainly a consequence of: (i) the higher results registered in our cattle stock holdings (generated by a stronger market value) which went from Ps. 1.3 million during the same period of fiscal year 2004 to Ps. 6.3 million for the current semester, (ii) and the performance of our share in IRSA Inversiones y Representaciones S. A. (NYSE: IRS) (BASE: IRSA) which went from Ps. 1.8 million for December 2003 to Ps. 14.0 million at December 31, 2004; partly offset by lower results from exchange differences generated by assets and liabilities which decreased from a Ps. 1.9 million profit during the first semester of fiscal year 2004 to a Ps. 1.0 million loss for the current semester.

**Consolidated net sales** for the period amounted Ps. 35.2 million, 19.9% higher than those registered during the same period of the previous Fiscal Year, mainly due to the higher volume of crops and cattle sold during the semester.

**Gross Income** during the first six months of FY 2005 amounted to Ps. 6.4 million as compared to Ps. 8.2 million gross profit registered during the same period of the previous year.

This reduction in gross profit is partly a consequence of crops lower prices. At the beginning of the first semester of FY 2004 the company had accumulated agricultural commodities that when appreciated generated profits due to their revalorization. On the contrary, the stocks accumulated at the beginning of the first semester of FY 2005 did not follow during the semester ended on December 31, 2004 similar trends.

On the other hand, milk sales decreased and at slightly lower prices, consequently decreasing the margins for such activity. Besides, the costs of this business unit increased as a result of the expenses incurred in the development of the milking facility located at the El Tigre farm, which does not generate revenues yet.

**Operating Income** showed for the six-month period ended on December 31, 2004 a Ps. 7.1 million profit, compared to a Ps. 5.5 million profits registered during the same period of the previous fiscal year.

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**Results from related companies** generated a Ps. 14.1 million profit, mainly due to our 26.5% share ownership in IRSA Inversiones y Representaciones S.A.

Saúl Zang

First Vice-Chairman

serving as Acting Chairman

**Cresud Sociedad Anónima Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Unaudited Business Highlight (Continued)**

**Summary of operations**

**Crops**

During the semester crop sales amounted Ps. 11.2 million, compared to Ps. 8.8 million registered during the previous year. Crop volume sold amounted 31,906 tons at an average price of Ps. 352 per ton compared to 23,601 tons sold at an average price of Ps. 373 during the same semester of the previous fiscal year.

The stock of grain as of the closing of the six-month period is 23,392 tons, consisting of 19,815 tons of wheat and 3,046 tons of corn.

Gross loss for the segment for the semester ended on December 31, 2004 amounted Ps. 0.2 million compared to a Ps. 1.6 million profit for the same period of the previous fiscal year. The drop registered in this item is partly consequence of crop's lower prices. At the beginning of the first semester of FY 2004 the company had accumulated agricultural commodities that when appreciated generated profits due to their revalorization. On the contrary, the stocks accumulated at the beginning of the first semester of FY 2005 did not follow during the semester ended on December 31, 2004 similar trends.

For the current season we have destined 35,848 hectares to agriculture, of which 16,142 hectares were leased to third parties. As compared to the previous fiscal year we have increased the amount of total hectares destined to agriculture in 13,303 hectares, mainly due to the commencement of operations in El Tigre farm, which increased the company's area under production, and due to the higher amount of hectares leased to third parties.

Most of the leases were agreed with a fix payment prior to harvest and only small percentages were crop-sharing agreements.

The increase in the number of hectares leased from third parties for exploitation by the Company is explained by the fact that after the strong fall in the price of grains, many owners lowered leasehold prices, thus allowing higher potential yields. During the previous season, faced with the increase in land prices, the strategy was not to go along with market prices and lease lands only at those prices which enabled the Company to obtain adequate margins without having to speculate on future commodity prices.

**Beef Cattle**

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As of December 31, 2004, the Company's cattle stock amounted to 99,797 heads (7% higher than at December 31, 2003) with 126,964 hectares destined to this activity.

Saúl Zang

First Vice-Chairman

serving as Acting Chairman



**Cresud Sociedad Anónima Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Unaudited Business Highlight (Continued)**

Sale of livestock experienced a material increase of 53.6% from Ps. 12.2 million as of December 31, 2003 to Ps. 18.7 million as of December 31, 2004. During the semester a total of 8,953 tons were sold, while during the first six months of Fiscal Year 2004 tons sold amounted to 6,622. The sustained increase which beef cattle prices have been experiencing was also determinant for increasing Company's revenues within this business unit.

Gross profit for the cattle beef segment amounted to Ps. 4.0 million, as compared to Ps. 3.0 million profit registered during the first semester of the previous Fiscal Year. This increase in the gross profit was a consequence both of the increase in the cattle beef sales and of the rise in margins produced by higher market values.

Cattle beef production amounted 5,988 tons, representing a 17% increase compared to the previous fiscal year.

Livestock prices had a favourable evolution during the course of the first semester of Fiscal Year 2005. After the advance of the agriculture business over the cattle beef business, livestock offers experienced sever cuts, therefore helping to push up rising prices of livestock.

Additionally, there are promising perspectives for this market, mostly referring to reductions in commercial barriers worldwide, which would make for a better use of the cattle cuts and a higher final price for the cattle producer. After a year of the appearance of the last foot and mouth disease focus within the country, the country has obtained the free foot and mouth disease status with vaccination on behalf of the Animal Health Organization (OIE), which will grant an additional benefit to seek new markets, such as the US and Canada, where initial correspondence has taken place.

Saúl Zang

First Vice-Chairman

serving as Acting Chairman

**Cresud Sociedad Anónima Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Unaudited Business Highlight (Continued)**

Furthermore, the export of thermo-processed cattle beef to China was approved, shortly enabling the opening of the commercialization of fresh meat market.

Likewise, the price of livestock in Argentina could result in similar prices to those found in Uruguay (which is actually 26% above local prices) whose evolution after the opening of international markets had a positive outcome. In that sense, and in order to sustain its offer, Uruguay started importing livestock from Argentina, therefore arbitrating cattle markets.

**Milk**

Milk production fell slightly by 8% during the semester from 3.9 million liters as of December 31, 2003 to 3.5 million liters as of December 31, 2004.

Gross profit at December 31, 2004, amounted Ps. 0.7 million, 52% lower than that registered during the same semester of the previous fiscal year. The main reason for this reduction was the increase of costs in this business unit as a consequence of the expenses incurred in the development of dairy facilities that due to their condition are not generating income yet.

It is worth mentioning that the company is currently developing oversize dairy facilities with state of the art technology in our El Tigre farm. In this sense, once the project is concluded, it would increase the actual productive capacity in approximately 36,000 liters daily. We are forecasting for this business unit yields above those of the agriculture segment. The estimated investment in this project amounts US\$ 1.0 million approximately.

Currently the Company's only productive dairy farm is located at La Juanita, where the feeding system is based solely on pastures. This feeding system, of lower cost, allows an enhancement of milk margins as compared to systems based on grains.

The milk business in Argentina went through severe oscillations during the course of time, from the euphoria of 1997 and 1998 to the 2001 crisis. Currently, with firm prices, this segment is once again attractive.

**Feed Lot**

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During the semester, our 170-hectare Feed Lot, located in the province of San Luis, where the Company's equity interest through Cactus Argentina S.A. is 50%, was affected by the seasonality of the business hence decreasing the occupation levels and revenues.

Saúl Zang

First Vice-Chairman

serving as Acting Chairman

**Cresud Sociedad Anónima Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Unaudited Business Highlight (Continued)**

Due to these facts, income decreased from Ps. 10.7 million at December 31, 2003 to Ps. 5.9 million during the current semester. It is worth mentioning that draughts registered during the first semester of the fiscal year, had a positive effect rising the occupation levels of the feed lot and also reverting the trend generated during this time of the year.

The uniformity obtained in the final product of the feed lot cattle has granted buyers a high quality product, making its commercialization easy and obtaining higher prices at the moment of selling.

Due to the consistent occupation level the Feed Lot has been registering quarter after quarter we plan the development of a second enterprise of similar characteristics, which could be located within Argentina or abroad.

Regarding the above mentioned, during the semester closed December 31, 2004, Cactus Argentina S.A. registered a Ps. 0.1 million loss compared to a Ps. 0.4 million profit registered for the semester ended on December 31, 2003.

#### **Sale of farms**

At the end of Fiscal Year 2004 and commencement of Fiscal Year 2005 bills of sale for the farms Ñacurutu (sold after the closing of the semester) and San Enrique were signed which will result in profits for the Company amounting US\$ 2.7 million and US\$ 4,3 million respectively, thus positively impacting on future financial statements corresponding to the current Fiscal Year. The produce of such operations will suppose a yield close to 100 % in the first case and margin record of approximately 750 % in the second case. These transactions, besides confirming the excellent Company's background regarding such operations, are clear examples of the unrealized value of corporate assets.

#### **Development of marginal lands**

We believe that the business's potential, as has happened in various countries worldwide, relies on the development of marginal land; using state of the art technology, yields comparable to those of the nucleus area can be obtained.

For the current season, to the 12,700 productive hectares destined to cattle in our Los Pozos farm, located in Salta, we have added 4,000 additional hectares, while 1,300 hectares are destined to agriculture.

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Besides, clearing works on 6,000 additional hectares for cattle are being performed, and will enter into production next season. Currently, Los Pozos farm shows the highest returns in the cattle business for the Company's and is above the industry's average

Saúl Zang

First Vice-Chairman

serving as Acting Chairman

**Cresud Sociedad Anónima Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Unaudited Business Highlight (Continued)**

Additionally, the 1,185 hectares already developed in our AgroRiego San Luis farm, located in the province of San Luis, for crop irrigation, will enter into production the current season.

Cresud's land reserves amount to 263,000 hectares which were acquired at very low prices. We believe that with the development of these areas, together with proper technology, the value of land will rise generating interesting returns for the Company.

**Internet**

Fyo.com, internet site where the Company's equity interest amounts 70%, maintains its position as leading agriculture site and has started to expand the scope of commercial services for the farming community through the direct sale of inputs and crop brokerage.

Currently, Futuros y Opciones.com S.A. has a database of 40,000 users and more than 5,000 farmers entitled to perform deals. Our strategy is focused in commercial services for farmers, using Cresud's expertise and operative capacity in the business, being FyO the link with the client.

During the semester ended on December 31, 2004, Futuros y Opciones.com S.A.'s revenues amounted to Ps. 0.5 million, 38% higher than that registered during the same semester of the previous Fiscal Year. The net result for the semester showed a Ps. 0.2 million loss, lower than the Ps. 0.3 million loss registered during Fiscal Year 2004.

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**Cresud Sociedad Anónima Comercial,**  
**Inmobiliaria, Financiera y Agropecuaria**  
**Unaudited Business Highlight (Continued)**

Principal indicators for the six-month period

ended December 31, 2004 and 2003:

	<b>6 months as of</b>	<b>6 months as of</b>	<b>%</b>	
	<b>December 31, 2004</b>	<b>December 31, 2003</b>		
<b>Sales Volume</b>				
Wheat (tons)	950	2.490	(62%)	
Corn (tons)	19.959	11.472	74%	
Sunflowers (tons)			0%	
Soybean (tons)	9.994	9.611	4%	
Others (tons)	1.002	28	3479%	
<b>Total crops (tons)</b>	<b>31.906</b>	<b>23.601</b>	<b>35%</b>	
Beef Cattle (tons)	8.953	6.622	35%	
Milk (Thousand of liters)	3.525	3.851	(8%)	
<b>Production</b>				
Wheat (tons)	20.595	11.571	78%	
Corn (tons)	1.765			
Sunflowers (tons)				
Soybean (tons)	79			
Beef Cattle (tons)	5.988	5.111	17%	
Milk (Thousand of liters)	3.525	3.851	(8%)	
<b>Exploited surface (hectares)</b>				
Crops	Owned Farms	19.706	12.312	60%
	Leased Farms	16.142	9.755	65%
Beef Cattle	Owned Farms	126.964	126.190	1%
	Leased Farms			
Dairy	Owned Farms	1.583	820	93%
<b>Land Reserve (hectares)</b>		263.177	266.916	(1%)
<b>Surface under irrigation</b>		3.750	2.841	32%
<b>Storage Capacity (tons)</b>		12.660	18.360	(31%)
<b>Total head of cattle</b>		<b>99.797</b>	<b>92.954</b>	<b>7%</b>
<b>Dairy Farm Stock (heads)</b>		3.575	2.812	27%
<b>Milking cows (heads)</b>		1.406	1.190	18%

Saúl Zang  
First Vice-Chairman





**Cresud Sociedad Anónima Comercial,  
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Unaudited Business Highlight (Continued)**

**Results from IRSA Inversiones y Representaciones S.A.**

The result derived from our equity interest in IRSA Inversiones y Representaciones S. A. (NYSE: IRS   BASE: IRSA) showed a Ps. 14.0 million profit for the semester compared to a Ps. 1.8 million profit as of December 31, 2003.

IRSA's result was strongly influenced by an increase in the operative result which grew 142.4%, from Ps. 24.5 million for the first six months of Fiscal Year 2004 to Ps. 59.3 million for the same period of the current Fiscal Year, mainly due to the better performance of revenues, which grew 49.3% amounting Ps. 185.2 million compared to the previous Ps. 124.1 million. The following is the share of the different segments in revenues from net consolidated sales: sales and development Ps. 27.5 million, offices and other property for lease Ps. 8.9 million, shopping centers Ps. 103.6 million and hotels Ps. 45.3 million.

IRSA is Argentina's leading real estate company with a totally diversified portfolio of properties. IRSA participates in the following business segments:

**Office rental** with more than 85,000 m<sup>2</sup> for lease.

Operation of **Shopping Centers** through its 61% equity interest in Alto Palermo S.A. (APSA) (NASDAQ: APSA, BASE: APSA). APSA is one of the leading operators of shopping centers in Argentina and owns or has majority interest in 9 shopping centers with 195,132 m<sup>2</sup> of gross leasable area.

Sale of **residential properties**

Holding and operation of luxury **hotels** through its equity interest in 3 five star hotels

Besides, IRSA owns land reserves for current and **future developments** valued at Ps. 352.0 million.

IRSA's total Consolidated Assets amount to Ps. 2,346.1 million and its Shareholder's Equity amounts Ps. 1,040.6 million.

At December 31, 2004 our ownership in IRSA amounted 26.5% of total shares in circulation. Additionally, we own u\$ 45.3 million of convertible bonds issued by IRSA which contain a warrant attached to purchase additional shares of the company. If both the convertible notes and warrants are exercised like the rest of the bearers, Cresud would own 41% of IRSA equity. Currently, our equity interest in IRSA is valued

through the proportional equity value method.

Saúl Zang  
First Vice-Chairman  
serving as Acting Chairman

**Cresud Sociedad Anónima Comercial,  
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Unaudited Business Highlight (Continued)**

**Other relevant highlights**

**Reduction of debt due to the conversion of notes and exercise of Warrants**

During the semester, Cresud's debt under Convertible Notes was reduced by US\$ 1,259,290 as a consequence of the exercise of conversion rights.

Likewise during the semester, 1,251,644 Warrants have been exercised, resulting in an inflow of US\$ 1.5 million in the Company

In this way, considering all conversions and exercise of warrants, the number of outstanding Convertible Notes as of today has reached US\$ 41,723,863 while the number of outstanding Warrants amounts to 42,164,361. Shares issued amounted 31,728,541, increasing the Company's total number of outstanding shares to 156,012,933.

It should be noted that since the Company holds Convertible Bonds issued by IRSA for a total 45.3 million, which bear interest at the same rate as those issued by us, funds to be collected from our holding in IRSA exceeds from those required to cover payment of our Convertible Notes.

The following graphics show past, actual and potential situation in the future of the Convertible Notes issued by Cresud on November 14, 2002, under New York Law, at an interest rate of 8% (paid semi-annually), due to November 14, 2007, which are convertible at a price of US\$ 0.5078 per share of face value Ps. 1.00 (1.9693 shares of face value Ps. 1.00 per Note). Additionally, each Convertible Note holds a warrant which allows the holder to obtain for each Convertible Note 1.9693 shares, of face value Ps. 1.00, at a price of US\$ 0.6093.

**Notes:**

1 ADR represents 10 common shares

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Assuming Conversion (Fully Diluted) refers to the situation where all the holders of the Convertible Notes convert those securities into shares and where all the Warrants are exercised.

Saúl Zang  
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serving as Acting Chairman

**Cresud Sociedad Anónima Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Unaudited Business Highlight (Continued)**

**Financial Structure**

During the current semester, the Company has developed an external financing strategy of its working capital for the productive season, at convenient rates and terms through export pre financing, which allows us to develop new business units optimising risks and acquiring the necessary liquidity to take advantage of investment opportunities that could arise.

Hence, at December 31, 2004 current loans with local financial entities amounted Ps. 37.2 million, enabling the development of new productive projects and generating a more efficient capital structure for the Company.

**Distribution of dividends**

On November 17, 2004, and pursuant to the Ordinary and Extraordinary Shareholder s Meeting held on October 22, 2004, cash dividends for a total amount of Ps. 3.0 million or Ps. 0.01983007 per common share of nominal value 1 each (Ps. 0.1983007 per ADR) were at shareholder s availability.

**Perspectives for the coming quarter**

Perspectives for the upcoming quarter are highly promising with firm livestock prices, hence we are expecting an increase in our profits from this business unit. Additionally, the opening of new international markets could continue impacting positively on this business unit.

Besides, there are promising perspectives on the evolution of corn yields for the coming quarter, which are already above our budget. Notwithstanding the foregoing, price perspectives are conservative due to promising productive seasons in the U.S. and South America.

Regarding our investment in the dairy farm project, its opening will occur promptly. At the commencement, it will have 600 milking cows and will reach 2,000 heads within 18 months.

Saúl Zang  
First Vice-Chairman  
serving as Acting Chairman

**Cresud Sociedad Anónima Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Unaudited Business Highlight (Continued)**

According to our development of new agriculture project strategy, we will maintain evaluating different investment alternatives, which could be accomplished during the current fiscal period.

Saúl Zang  
First Vice-Chairman  
serving as Acting Chairman

Free translation from the original prepared in Spanish for publication in Argentina

**Report of Independent Auditors**

To the Shareholders, President and Board of Directors of

Cresud Sociedad Anónima Comercial,

Inmobiliaria, Financiera y Agropecuaria

1. We have reviewed the balance sheets of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria at December 31, 2004 and 2003, and the related statements of income, of changes in shareholders' equity and of cash flows for the six-month periods ended December 31, 2004 and 2003 and the complementary notes 1 to 16 and schedules A, C, E, F, G and H. Furthermore, we have reviewed the consolidated financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria, which are presented as complementary information. These financial statements are the responsibility of the Company's management.
2. We conducted our review in accordance with standards established by Technical Resolution N° 7 of the Argentine Federation of Professional Councils of Economic Sciences for limited reviews of financial statements. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.
3. Based on our work and our examinations of the financial statements of this Company and the consolidated financial statements for the years ended June 30, 2004 and 2003, on which we issued our unqualified report dated September 7, 2004, we report that:
  - a) The financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria at December 31, 2004 and 2003 and its consolidated financial statements at those dates, set out in point 1, prepared in accordance with accounting standards prevailing in the Autonomous City of Buenos Aires, include all significant facts and circumstances of which we are aware, and we have no observations to make on them.



- b) The comparative information included in the basic and consolidated balance sheets and the supplementary notes and schedules to the attached financial statements arise from Company financial statements at June 30, 2004.
4. In accordance with current regulations, we report that:
- a) the financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria and its consolidated financial statements have been transcribed to the Inventory and Balance Sheet Book and comply, within the field of our competence, with the Corporations Law and pertinent resolutions of the National Securities Commission;
- b) the financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria arise from official accounting records carried in all formal respects in accordance with legal requirements; that maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;
- c) we have read the business highlights and the additional information to the notes to the financial statements required by section 68 of the Buenos Aires Stock Exchange Regulations, on which, as regards those matters that are within our competence, we have no observations to make;
- d) At December 31, 2004, the debt accrued of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria accrued in favor of the Integrated Pension and Survivors Benefit System according to the accounting records amounted to \$ 108.211,60 which is not yet due.

Autonomus City of Buenos Aires, February 10, 2005

PRICE WATERHOUSE & CO. S.R.L.

(Partner)  
C.P.C.E.C.A.B.A. T° 1 F° 1  
Dr. Andrés Suarez  
Public Accountant (UBA)  
C.P.C.E. Ciudad Autónoma de Buenos Aires  
Tomo 245 - Folio 61

**SIGNATURES**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Buenos Aires, Argentina.

**CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA**

**FINANCIERA Y AGROPECUARIA**

By: /S/ Saúl Zang  
Name: Saúl Zang  
Title: Vice Chairman of the Board of Directors

Dated: February 18, 2005