

CRESUD INC  
Form 6-K  
May 21, 2004

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 6-K**

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**REPORT OF FOREIGN ISSUER**

**PURSUANT TO RULE 13a-16 OR 15b-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May, 2004

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**CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA  
FINANCIERA Y AGROPECUARIA**

(Exact name of Registrant as specified in its charter)

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**CRESUD INC.**

(Translation of registrant's name into English)

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**Republic of Argentina**

(Jurisdiction of incorporation or organization)

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**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 Quarterly Financial Statements for the period ended on March 31, 2004 filed with the *Bolsa de Comercio de Buenos Aires* and with the *Comisión Nacional de Valores*

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

Unaudited Financial Statements  
corresponding to the nine-month period  
ended March 31, 2004 and 2003

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Unaudited Financial Statements**

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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 March 31, 2004 presented in comparative form with the previous year and with the same period of the previous year

Financial period N° 69 started on July 1, 2003

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 consolidated

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

| <u>Type of stock</u>  | <u>Authorized pesos</u> | <u>Subscribed pesos</u> | <u>Paid-in pesos</u> |
|---|-------------------------|-------------------------|----------------------|
| Ordinary certified shares of \$1 face value and 1 vote each | 149,453,998             | 149,453,998             | 149,453,998          |

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

|  | March 31, 2004<br>(Notes 1, 2 and 3) | June 30, 2003<br>(Notes 1, 2 and 3) | March 31, 2003<br>(Notes 1, 2 and 3) |
|--|--------------------------------------|-------------------------------------|--------------------------------------|
|  | Pesos                                | Pesos                               | Pesos                                |
| <b>ASSETS</b>                                      |                                      |                                     |                                      |
| <b>Current Assets</b>                              |                                      |                                     |                                      |
| Cash and banks (Note 4.a.)                         | 10,014,020                           | 16,995,803                          | 6,338,347                            |
| Investments (Note 4.b.)                            | 7,555,974                            | 5,459,835                           | 30,317,596                           |
| Trade accounts receivable (Note 4.c.)              | 4,762,201                            | 6,899,952                           | 11,671,649                           |
| Other receivables and prepaid expenses (Note 4.d.) | 14,541,789                           | 6,231,659                           | 4,265,303                            |
| Inventories (Note 4.e.)                            | 36,244,672                           | 22,841,977                          | 31,883,750                           |
| <b>Total current assets</b>                        | <b>73,118,656</b>                    | <b>58,429,226</b>                   | <b>84,476,645</b>                    |
| <b>Non-current assets</b>                          |                                      |                                     |                                      |
| Other receivables and prepaid expenses (Note 4.d.) | 75,929                               | 542,193                             | 703,227                              |
| Inventories (Note 4.e.)                            | 44,267,100                           | 37,796,987                          | 38,384,887                           |
| Investments (Note 4.b.)                            | 213,344,977                          | 202,321,555                         | 208,652,989                          |
| Other investments (Note 4.b.)                      | 142,858,179                          | 139,160,243                         | 143,135,657                          |
| Fixed assets, net (Schedule A)                     | 152,272,169                          | 148,510,846                         | 127,419,824                          |
| Intangible assets (Schedule B)                     |                                      | 369,637                             | 489,061                              |
| <b>Subtotal Non-Current Assets</b>                 | <b>552,818,374</b>                   | <b>528,701,461</b>                  | <b>518,785,645</b>                   |
| Goodwill (Note 4.b.)                               | (20,193,637)                         | (19,347,598)                        | (18,605,099)                         |
| <b>Total Non-Current Assets</b>                    | <b>532,624,737</b>                   | <b>509,353,863</b>                  | <b>500,180,546</b>                   |
| <b>Total Assets</b>                                | <b>605,743,393</b>                   | <b>567,783,089</b>                  | <b>584,657,191</b>                   |
|  | March 31, 2004<br>(Notes 1, 2 and 3) | June 30, 2003<br>(Notes 1, 2 and 3) | March 31, 2003<br>(Notes 1, 2 and 3) |
|  | Pesos                                | Pesos                               | Pesos                                |
| <b>LIABILITIES</b>                                 |                                      |                                     |                                      |
| <b>Current Liabilities</b>                         |                                      |                                     |                                      |
| <b>Debts:</b>                                      |                                      |                                     |                                      |
| Trade accounts payable (Note 4.f.)                 | 8,539,549                            | 7,328,279                           | 16,207,864                           |
| Loans (Note 4.g.)                                  | 3,829,413                            | 1,425,499                           | 7,709,335                            |
| Salaries and social security payable (Note 4.h.)   | 777,580                              | 1,096,627                           | 606,003                              |
| Taxes payable (Note 4.i.)                          | 1,337,001                            | 1,887,453                           | 1,133,048                            |
| Other debts (Note 4.j.)                            | 1,273,042                            | 3,338,969                           | 5,049,060                            |
| <b>Total Debts</b>                                 | <b>15,756,585</b>                    | <b>15,076,827</b>                   | <b>30,705,310</b>                    |

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|  |             |             |             |
|--|-------------|-------------|-------------|
| <b>Total current liabilities</b>                 | 15,756,585  | 15,076,827  | 30,705,310  |
| <b>Non-current liabilities</b>                   |             |             |             |
| Taxes payable (Note 4.i.)                        | 26,289,861  | 22,749,374  | 24,293,077  |
| Loans (Note 4.g.)                                | 122,125,483 | 137,951,054 | 146,852,737 |
| <b>Total non-current liabilities</b>             | 148,415,344 | 160,700,428 | 171,145,814 |
| <b>Total Liabilities</b>                         | 164,171,929 | 175,777,255 | 201,851,124 |
| Minority interest                                | 47,619      | 206,709     | 254,380     |
| <b>SHAREHOLDERS EQUITY</b>                       | 441,523,845 | 391,799,125 | 382,551,687 |
| <b>Total Liabilities and Shareholders Equity</b> | 605,743,393 | 567,783,089 | 584,657,191 |

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

Eduardo Sergio Elsztain

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, 2003 and 2002

and ended on March 31, 2004 and 2003

|   | March 31, 2004<br>(Notes 1, 2 and 3)<br>Pesos | March 31, 2003<br>(Notes 1, 2 and 3)<br>Pesos |
|---|---|---|
| Sales   |   |   |
| Crops   | 17,099,029                                    | 37,905,971                                    |
| Beef cattle   | 19,400,403                                    | 11,414,198                                    |
| Milk  | 2,511,919                                     | 1,657,986                                     |
| Others  | 725,992                                       | 563,042                                       |
| <b>Total Sales</b>                                    | <b>39,737,343</b>                             | <b>51,541,197</b>                             |
| Cost of sales (Schedule F)                            |   |   |
| Crops   | (6,565,500)                                   | (30,517,923)                                  |
| Beef cattle   | (13,804,649)                                  | (3,132,233)                                   |
| Milk  | (297,729)                                     | (1,051,444)                                   |
| Others  | (960,982)                                     | (953,137)                                     |
| <b>Total cost of sales</b>                            | <b>(21,628,860)</b>                           | <b>(35,654,737)</b>                           |
| <b>Gross income</b>                                   | <b>18,108,483</b>                             | <b>15,886,460</b>                             |
| Selling expenses (Schedule H)                         | (3,140,643)                                   | (3,274,026)                                   |
| Administrative expenses (Schedule H)                  | (4,479,079)                                   | (2,849,002)                                   |
| Net gain on sale of farms                             | 1,668,751                                     |   |
| Gain from inventory holdings (Schedule F)             | 1,906,143                                     | 12,629,645                                    |
| <b>Operating income</b>                               | <b>14,063,655</b>                             | <b>22,393,077</b>                             |
| Financial results (Note 4.k.)                         |   |   |
| Financial income (loss) generated by assets           | 12,514,514                                    | (45,000,479)                                  |
| Financial (loss) income generated by liabilities      | (12,225,266)                                  | 27,950,843                                    |
| Other expenses  |   |   |
| Gains from others fixed assets sales                  | 310,701                                       | 8,234   |
| Donations   | (6,200)                                       | (2,199,288)                                   |
| Others  | 24  | (206,221)                                     |
| Income from related companies                         | 3,407,044                                     | 66,758,213                                    |
| Management fees (Note 5)                              | (1,138,846)                                   | (4,887,308)                                   |
| <b>Income before income tax and minority interest</b> | <b>16,925,626</b>                             | <b>64,817,071</b>                             |
| Income tax expense                                    | (6,835,113)                                   | (7,707,775)                                   |
| Minority interest                                     | 159,091                                       | 176,376                                       |

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| <b>Net income for the period</b> | <b>10,249,604</b> | <b>57,285,672</b> |
|----------------------------------|-------------------|-------------------|

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

Eduardo Sergio Elsztain

Chairman



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|   |                    |                     |
|---|--------------------|---------------------|
| Exercise of Warrant   | 21,893,975         |                     |
| Dividends paid  | (1,500,000)        |                     |
| Exercise of rights offering on treasury stock                                       | 327,437            | 2,088,363           |
| Increase in financial loans   |                    | 170,059,240         |
| Decrease in financial loans   | (5,667,108)        | (4,690,456)         |
| Issuance expenses of Convertible Bonds  | (1,305,850)        | (1,724,712)         |
|   | <hr/>              | <hr/>               |
| <b>Net funds provided by financing activities</b>                                   | <b>13,748,454</b>  | <b>165,732,435</b>  |
|   | <hr/>              | <hr/>               |
| <b>Net decrease in funds</b>  | <b>(7,872,220)</b> | <b>(12,126,609)</b> |
|   | <hr/>              | <hr/>               |
| <b>Items not involving changes in funds</b>   |                    |                     |
| Transfer of inventory to fixed assets   | 221,429            | 95,337              |
| Repayment of financial loans through issue of stock by exercise of conversion right | 18,753,704         | 560,534             |
|   | <hr/>              | <hr/>               |
| <b>Complementary information</b>  |                    |                     |
| Interest paid   | 5,667,108          | 4,647,660           |
| Income tax expense paid   | 878,475            | 7,869,318           |

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

Eduardo Sergio Elsztain

Chairman

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**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, 2003 and 2002 and ended on  
March 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 and 441/03 of the Argentine Securities and Exchange Commission, which require that consolidated Financial Statements be presented as established by Technical Resolution No. 4 of the Argentine Federation of Professional Councils in Economic Sciences, as amended by Technical Resolution No. 19, the Balance Sheet as of March 31, 2004, June 30, 2003 and March 31, 2003 and the Income Statements 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 and discontinuation of adjustment for inflation, respectively (see Note 1.b and 1.c to the unaudited basic financial statements).

The Financial Statements of the Subsidiary Companies Inversiones Ganaderas S.A. and Futuros y Opciones.Com S.A. as of March 31, 2004 and 2003 have been used to determine the proportional equity value and carry out the consolidation. For purposes of comparability, reclassifications have been made on the information at March 31, 2003 and June 30, 2003.

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.

| COMPANY                     | PERCENTAGE OF VOTING SHARES<br>OWNED |
|-----------------------------|--------------------------------------|
| Inversiones Ganaderas S.A.  | 99.99                                |
| Futuros y Opciones.Com S.A. | 70.00                                |

**NOTE 3: SIGNIFICANT ACCOUNTING POLICIES**

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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.

The most significant valuation criteria used for the preparation of the Financial Statements of the Subsidiary Companies not detailed in the valuation criteria of the Parent Company were as follows:

### Intangible Assets - Development expenditures

These expenses include organizational and development costs of the web page incurred until March 31, 2001. These expenses were restated to period-end currency and were depreciated by the straight line method over thirty-six months as from April 1, 2001. For being less than five periods, this depreciation term qualifies under the second option of the transitional rules provided in section 8.2.3. of Technical Resolution No. 17.

## 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 income statement accounts****a. Cash and banks**

|  | March 31,<br>2004<br>Pesos | June 30,<br>2003<br>Pesos | March 31,<br>2003<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| Cash   | 89,712                     | 43,967                    | 104,972                    |
| Foreign currency (Schedule G)                  | 50,209                     | 3,239,854                 | 170,847                    |
| Patacones currency                             | 37                         |                           | 430                        |
| Lecop currency                                 |                            |                           | 235                        |
| Local currency checking account                | 1,201,667                  | 645,182                   | 2,686,641                  |
| Patacones currency checking account            | 22                         | 171,891                   | 28,862                     |
| Lecop currency checking account                |                            | 62,532                    | 38,380                     |
| Foreign currency checking account (Schedule G) | 8,628,564                  | 12,370,530                | 3,124,664                  |
| Local currency saving account                  | 13,794                     | 20,583                    | 16,495                     |
| Checks to be deposited                         | 30,015                     | 415,481                   | 166,821                    |
| Patacones checks to be deposited               |                            | 25,783                    |                            |
|  | 10,014,020                 | 16,995,803                | 6,338,347                  |

**b. Investments and Goodwill**

|  | March 31,<br>2004<br>Pesos | June 30,<br>2003<br>Pesos | March 31,<br>2003<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Investment</b>                              |                            |                           |                            |
| Investment (Schedule C )                       | 7,555,974                  | 5,459,835                 | 30,317,596                 |
|  | 7,555,974                  | 5,459,835                 | 30,317,596                 |
| <b>Investment</b>                              |                            |                           |                            |
| Investment from related companies (Schedule C) | 213,344,977                | 202,321,555               | 208,652,989                |
|  | 213,344,977                | 202,321,555               | 208,652,989                |
| <b>Other investments</b>                       |                            |                           |                            |
| Other investments (Schedule C)                 | 142,858,179                | 139,160,243               | 143,135,657                |

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|                       |                             |                             |                             |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|
|                       | 142,858,179                 | 139,160,243                 | 143,135,657                 |
|                       | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| <b>Goodwill</b>       |                             |                             |                             |
| Goodwill (Schedule C) | (20,193,637)                | (19,347,598)                | (18,605,099)                |
|                       | <u>                    </u> | <u>                    </u> | <u>                    </u> |
|                       | <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)

## c. Trade accounts receivable

|   | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 |
|---|-------------------|------------------|-------------------|
|   | Pesos             | Pesos            | Pesos             |
| <b>Current</b>  |                   |                  |                   |
| Accounts receivable in local currency                     | 5,072,208         | 5,345,126        | 3,259,392         |
| Less:   |                   |                  |                   |
| Provision for defaulting debtors (Schedule E)             | (384,661)         | (479,125)        | (635,510)         |
| Accounts receivable in foreign currency (Schedule G)      | 42,496            | 2,020,242        | 9,034,498         |
| Subsidiaries and related companies Law 19,550 Article 33: |                   |                  |                   |
| Cactus Argentina S.A.                                     | 32,158            | 13,709           | 13,269            |
|   | <u>4,762,201</u>  | <u>6,899,952</u> | <u>11,671,649</u> |

## d. Other receivables and prepaid expenses

|  | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 |
|--|-------------------|------------------|-------------------|
|  | Pesos             | Pesos            | Pesos             |
| <b>Current</b>   |                   |                  |                   |
| Prepaid leases   | 598,390           | 1,894,560        | 63,580            |
| Tax on Minimum Hypothetical Income (Note 2.p.)               |                   |                  | 127,560           |
| Guarantee deposits (Schedule G)                              | 4,040,763         | 682,027          | 790,419           |
| Secured by mortgage and under legal proceedings (Schedule G) | 992,804           | 531,602          | 514,250           |
| Prepaid expenses   | 353,576           | 864,244          | 344,868           |
| Surety bonds received  |                   |                  | 470,709           |
| Tax prepayments (net of accrual)                             | 6,351,126         | 201,559          | 267,180           |
| Subsidiaries and related companies Law 19,550 Article 33:    |                   |                  |                   |
| Cactus Argentina S.A.  | 1,340,252         | 1,334,692        | 1,333,318         |
| Shareholders   | 455,583           | 455,583          |                   |
| Other  | 409,295           | 267,392          | 353,419           |
|  | <u>14,541,789</u> | <u>6,231,659</u> | <u>4,265,303</u>  |
| <b>Non-current</b>   |                   |                  |                   |

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|                                    |               |                |                |
|------------------------------------|---------------|----------------|----------------|
| Secured by mortgage                |               | 504,192        | 501,836        |
| Prepaid leases                     |               |                | 176,447        |
| Tax on Minimum Hypothetical Income | 69,503        | 26,574         | 24,944         |
| Other                              | 6,426         | 11,427         |                |
|                                    | <u>75,929</u> | <u>542,193</u> | <u>703,227</u> |

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

**NOTE 4:** (Continued)

## e. Inventories

|                       | March 31,<br>2004<br>Pesos | June 30,<br>2003<br>Pesos | March 31,<br>2003<br>Pesos |
|-----------------------|----------------------------|---------------------------|----------------------------|
| <b>Current</b>        |                            |                           |                            |
| Livestock             | 17,225,958                 | 13,116,997                | 15,671,028                 |
| Crops                 | 6,272,900                  | 6,301,776                 | 4,545,133                  |
| Unharvested crops     | 8,515,388                  | 1,112,230                 | 6,769,137                  |
| Seeds and fodder      | 285,736                    | 171,486                   | 1,935,787                  |
| Materials and others  | 2,923,297                  | 1,501,686                 | 1,647,443                  |
| Advances to suppliers | 1,021,393                  | 637,802                   | 1,315,222                  |
|                       | <u>36,244,672</u>          | <u>22,841,977</u>         | <u>31,883,750</u>          |
| <b>Non-Current</b>    |                            |                           |                            |
| Livestock             | 44,267,100                 | 37,796,987                | 38,384,887                 |
|                       | <u>44,267,100</u>          | <u>37,796,987</u>         | <u>38,384,887</u>          |

## f. Trade accounts payable

|   | March 31,<br>2004<br>Pesos | June 30,<br>2003<br>Pesos | March 31,<br>2003<br>Pesos |
|---|----------------------------|---------------------------|----------------------------|
| <b>Current</b>  |                            |                           |                            |
| Suppliers in local currency                                 | 5,315,206                  | 3,759,549                 | 3,561,527                  |
| Suppliers in foreign currency (Schedule G)                  | 1,081,407                  | 436,439                   | 9,222,930                  |
| Subsidiaries and related companies Law 19,550 Article 33: C |                            |                           |                            |
| Cactus Argentina S.A.                                       | 445,657                    | 203,335                   | 146,314                    |
| Accrual for other expenses (Schedule G)                     | 1,514,901                  | 2,816,293                 | 3,043,062                  |
| Accrual for cereal expenses                                 | 180,409                    | 108,825                   | 203,359                    |

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|                            |                   |                   |                   |
|----------------------------|-------------------|-------------------|-------------------|
| Accrual for Directors Fees | 7,597             | 41,806            | 67,412            |
| Advances to Directors      | (5,628)           | (37,968)          | (36,740)          |
|                            | <u>          </u> | <u>          </u> | <u>          </u> |
|                            | 8,539,549         | 7,328,279         | 16,207,864        |
|                            | <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)

## g. Loans

|  | March 31,<br>2004<br>Pesos | June 30,<br>2003<br>Pesos | March 31,<br>2003<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Current</b>                                       |                            |                           |                            |
| Local financial loans (Note 2.f.)                    |                            |                           | 3,189,814                  |
| Convertible Bonds 2007 Interest payable (Schedule G) | 3,829,413                  | 1,425,499                 | 4,519,521                  |
|  | <u>3,829,413</u>           | <u>1,425,499</u>          | <u>7,709,335</u>           |
| <b>Non Current</b>                                   |                            |                           |                            |
| Convertible Bonds 2007 (Schedule G)                  | 123,973,793                | 139,450,965               | 148,451,430                |
| Convertible Bonds 2007 expenses                      | (1,848,310)                | (1,499,911)               | (1,598,693)                |
|  | <u>122,125,483</u>         | <u>137,951,054</u>        | <u>146,852,737</u>         |

## h. Salaries and social security payable

|  | March 31,<br>2004<br>Pesos | June 30,<br>2003<br>Pesos | March 31,<br>2003<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Current</b>                             |                            |                           |                            |
| Vacation, statutory annual bonus allowance | 653,943                    | 859,519                   | 217,299                    |
| Social security administration             | 9,393                      | 138,564                   | 87,994                     |
| Salaries payable                           | 103,269                    | 94,607                    | 285,561                    |
| Health care scheme                         | 5,169                      | 1,043                     | 5,051                      |
| Other                                      | 5,806                      | 2,894                     | 10,098                     |
|  | <u>777,580</u>             | <u>1,096,627</u>          | <u>606,003</u>             |

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

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

|   | March 31,<br>2004<br>Pesos | June 30,<br>2003<br>Pesos | March 31,<br>2003<br>Pesos |
|---|----------------------------|---------------------------|----------------------------|
| <b>Current</b>                                |                            |                           |                            |
| Accrual for income tax                        | 2,979,125                  | 6,304,357                 | 4,183,853                  |
| Advances to Income tax                        | (1,968,138)                | (4,669,379)               | (2,951,103)                |
| Tax on Minimum Hypothetical Income (Note 2.p) | 39,802                     | (124,503)                 | 2,284                      |
| Value added tax                               |                            | 45,164                    | (219,336)                  |
| Property tax payable                          | 110,364                    | 179,614                   | 161,978                    |
| Taxes withheld for income tax                 | 82,371                     | 45,494                    | 87,752                     |
| Personal assets tax                           |                            | 148,824                   |                            |
| Sales tax payable                             | 164,793                    | 169,448                   | 37,487                     |
| Taxes withheld-Gross sales tax payable        | (74,005)                   | (83,340)                  | (109,024)                  |
| Taxes withheld-Value added tax payable        |                            | (134,693)                 | (68,466)                   |
| Other   | 2,689                      | 6,467                     | 7,623                      |
|   | <u>1,337,001</u>           | <u>1,887,453</u>          | <u>1,133,048</u>           |
| <b>Non-current</b>                            |                            |                           |                            |
| Tax on Minimum Hypothetical Income            |                            |                           | 1,993                      |
| Deferred tax                                  | 26,289,861                 | 22,749,374                | 24,291,084                 |
|   | <u>26,289,861</u>          | <u>22,749,374</u>         | <u>24,293,077</u>          |

**j. Other debts**

|                                      | March 31,<br>2004<br>Pesos | June 30,<br>2003<br>Pesos | March 31,<br>2003<br>Pesos |
|--------------------------------------|----------------------------|---------------------------|----------------------------|
| <b>Current</b>                       |                            |                           |                            |
| Accrual for Management fees (Note 5) | 1,138,846                  | 3,204,773                 | 4,914,864                  |
| Loan to FYO minority shareholders    | 134,196                    | 134,196                   | 134,196                    |

|  |           |           |           |
|--|-----------|-----------|-----------|
|  | 1,273,042 | 3,338,969 | 5,049,060 |
|--|-----------|-----------|-----------|

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

**NOTE 4:** (Continued)

## k. Financial results

|  | March 31,<br>2004           | March 31,<br>2003           |
|--|-----------------------------|-----------------------------|
|  | Income                      | Income                      |
|  | (Loss)                      | (Loss)                      |
|  | Pesos                       | Pesos                       |
|  | <u>                    </u> | <u>                    </u> |
| Generated by assets:                               |                             |                             |
| Exchange differences and discounts                 | 4,556,319                   | (45,392,085)                |
| Interest income                                    | 210,933                     | 814,263                     |
| Bad debts (Schedule E)                             | 94,464                      |                             |
| Reference stabilization index (CER)                | (302,116)                   | 489,131                     |
| Tax on debts and credits                           | (756,260)                   | (657,838)                   |
| Holding results                                    |                             | (2,640,590)                 |
| Holding results and operations of stocks and bonds |                             |                             |
| Convertible Bonds purchase interest                | 8,697,554                   | 4,357,055                   |
| Others   | 13,620                      | 121,733                     |
| Inflation adjustment                               |                             | (2,092,148)                 |
|  | <u>                    </u> | <u>                    </u> |
|  | 12,514,514                  | (45,000,479)                |
|  | <u>                    </u> | <u>                    </u> |
|  |                             |                             |
|  | March 31,<br>2004           | March 31,<br>2003           |
|  | Income                      | Income                      |
|  | (Loss)                      | (Loss)                      |
|  | Pesos                       | Pesos                       |
|  | <u>                    </u> | <u>                    </u> |
| Generated by liabilities                           |                             |                             |
| Holding results                                    |                             | 1,286,969                   |
| Inflation adjustment                               |                             | 2,422,512                   |
| Reference stabilization index (CER)                |                             | (473,717)                   |
| Interest expense                                   | (2,579)                     |                             |
| Financial expenses                                 |                             |                             |
| Convertible Bonds issued interest                  | (8,071,022)                 | (4,519,521)                 |



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|                                    |                             |                             |
|------------------------------------|-----------------------------|-----------------------------|
| Others                             | (945,453)                   | (1,005,565)                 |
| Exchange differences and discounts | (3,206,212)                 | 30,240,165                  |
|                                    | <u>                    </u> | <u>                    </u> |
|                                    | (12,225,266)                | 27,950,843                  |
|                                    | <u>                    </u> | <u>                    </u> |

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

**NOTE 5:****ASSETS AND LIABILITIES, CLASSIFIED ACCORDING TO THEIR COLLECTION OR PAYMENT MATURITIES****a) Based on their estimated collection or payment term ( in pesos)**

| Based on their estimated<br>collection or payment term | Current and non-current |                    |                    |                           |                  |                   | Other receivables and |                  |                   |
|--|-------------------------|--------------------|--------------------|---------------------------|------------------|-------------------|-----------------------|------------------|-------------------|
|  | investment              |                    |                    | Trade accounts receivable |                  |                   | prepaid expenses      |                  |                   |
|  | March 31,<br>2004       | June 30,<br>2003   | March 31,<br>2003  | March 31,<br>2004         | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004     | June 30,<br>2003 | March 31,<br>2003 |
| 4th quarter 2003/2002 financial period                 |                         |                    | 4,357,055          |                           |                  | 11,669,649        |                       |                  | 1,520,841         |
| 1st quarter 2004/2003 financial period                 |                         | 1,422,315          |                    |                           | 6,874,952        | 2,000             |                       | 2,471,562        |                   |
| 2nd quarter 2004/2003 financial period                 |                         |                    |                    |                           |                  |                   |                       | 129,130          | 127,560           |
| 3rd quarter 2004/2003 financial period                 |                         |                    |                    |                           |                  |                   |                       | 505,786          | 501,836           |
| 4th quarter 2004/2003 financial period                 | 4,412,090               |                    |                    | 4,754,568                 |                  |                   | 4,795,612             | 250,925          | 24,945            |
| 1st quarter 2005/2004 financial period                 |                         |                    |                    |                           |                  |                   |                       | 1,642            |                   |
| 2nd quarter 2005/2004 financial period                 |                         |                    |                    |                           |                  |                   |                       | 52,067           |                   |
| 3rd quarter 2005/2004 financial period                 |                         |                    |                    |                           |                  |                   | 994,496               | 504,192          | 501,836           |
| 4th quarter 2005/2004 financial period                 |                         |                    |                    |                           |                  |                   |                       | 6,426            |                   |
| 1st quarter 2006/2005 financial period                 |                         |                    |                    |                           |                  |                   |                       |                  |                   |
| 2nd quarter 2006/2005 financial period                 |                         |                    |                    |                           |                  |                   |                       |                  |                   |
| 3rd quarter 2006/2005 financial period                 |                         |                    |                    |                           |                  |                   |                       |                  |                   |
| 4th quarter 2006/2005 financial period                 |                         |                    |                    |                           |                  |                   |                       | 17,154           |                   |
| 1st quarter 2007/2006 financial period                 |                         |                    |                    |                           |                  |                   |                       |                  |                   |
| 2nd quarter 2007/2006 financial period                 |                         |                    |                    |                           |                  |                   |                       |                  |                   |
| 3rd quarter 2007/2006 financial period                 |                         |                    |                    |                           |                  |                   |                       |                  |                   |
| 4th quarter 2007/2006 financial period                 |                         |                    |                    |                           |                  |                   |                       |                  |                   |
| 2nd quarter 2008/2007 financial period                 | 142,837,462             | 139,139,526        | 143,114,940        |                           |                  |                   |                       |                  |                   |
| Overdue  |                         |                    |                    |                           | 25,000           |                   |                       |                  |                   |
| With no stated current term                            | 3,143,884               | 4,037,520          | 25,960,541         | 7,633                     |                  |                   | 8,697,972             | 2,874,256        | 2,115,066         |
| With no stated non-current term                        | 20,717                  | 20,717             | 20,717             |                           |                  |                   | 52,349                | 38,001           | 176,446           |
| <b>Total</b>   | <b>150,414,153</b>      | <b>144,620,078</b> | <b>173,453,253</b> | <b>4,762,201</b>          | <b>6,899,952</b> | <b>11,671,649</b> | <b>14,617,718</b>     | <b>6,773,852</b> | <b>4,968,530</b>  |

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

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| Interest rate that they accrued | Current and non-current |                    |                    |                           |                  |                   | Other receivables and |                  |                   |
|---------------------------------|-------------------------|--------------------|--------------------|---------------------------|------------------|-------------------|-----------------------|------------------|-------------------|
|                                 | investment              |                    |                    | Trade accounts receivable |                  |                   | prepaid expenses      |                  |                   |
|                                 | March 31,<br>2004       | June 30,<br>2003   | March 31,<br>2003  | March 31,<br>2004         | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004     | June 30,<br>2003 | March 31,<br>2003 |
| At fixed interest rate          | 142,837,462             | 139,139,526        | 143,114,940        |                           |                  |                   | 1,005,849             | 1,322,687        | 1,299,844         |
| At variable interest rate       | 3,143,884               | 4,037,520          | 25,960,541         |                           |                  |                   | 2,901,213             | 277,048          | 475,331           |
| Non-interest bearing            | 4,432,807               | 1,443,032          | 4,377,772          | 4,762,201                 | 6,899,952        | 11,671,649        | 10,710,656            | 5,174,117        | 3,193,355         |
| <b>Total</b>                    | <b>150,414,153</b>      | <b>144,620,078</b> | <b>173,453,253</b> | <b>4,762,201</b>          | <b>6,899,952</b> | <b>11,671,649</b> | <b>14,617,718</b>     | <b>6,773,852</b> | <b>4,968,530</b>  |

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 5:**

**ASSETS AND LIABILITIES, CLASSIFIED ACCORDING TO THEIR COLLECTION OR PAYMENT MATURITIES**

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

| Estimated collection | Salaries and social    |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |
|----------------------|------------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
|                      | Trade accounts payable |                  |                   | Loans             |                  |                   | security payable  |                  |                   | Taxes payable     |                  |                   | Other             |
|                      | March 31,<br>2004      | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 |
| 02 financial period  |                        |                  | 16,155,580        |                   |                  | 7,709,335         |                   |                  | 596,925           |                   |                  | 789,560           |                   |
| 03 financial period  |                        | 7,281,456        |                   |                   | 1,425,499        |                   |                   | 1,083,306        | 9,078             |                   | 1,664,184        | 329,124           | 3,281,456         |
| 03 financial period  |                        |                  |                   |                   |                  |                   |                   | 13,321           |                   |                   | 204,794          |                   |                   |
| 03 financial period  | 8,537,580              |                  |                   | 3,829,413         |                  |                   | 750,213           |                  |                   | 1,307,273         | 2,795            |                   | 1,138,846         |
| 04 financial period  |                        | 1,969            |                   |                   |                  |                   | 27,367            |                  |                   | 22,648            |                  | 1,993             |                   |
| 04 financial period  |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |
| 04 financial period  |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |
| 05 financial period  |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |
| 05 financial period  |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |
| 05 financial period  |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |
| 06 financial period  |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |
| 06 financial period  |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |
| 06 financial period  |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |
| 07 financial period  |                        |                  | 122,125,483       | 137,951,054       | 146,852,737      |                   |                   |                  |                   | 7,080             | 15,680           | 14,364            |                   |
| ent term             |                        | 46,823           | 52,284            |                   |                  |                   |                   |                  |                   |                   |                  |                   | 134,196           |
| current term         |                        |                  |                   |                   |                  |                   |                   |                  |                   | 26,289,861        | 22,749,374       | 24,291,084        |                   |
|                      | 8,539,549              | 7,328,279        | 16,207,864        | 125,954,896       | 139,376,553      | 154,562,072       | 777,580           | 1,096,627        | 606,003           | 27,626,862        | 24,636,827       | 25,426,125        | 1,273,042         |

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

| Interest rate that they | Trade accounts payable | Loans | Salaries and social | Taxes payable | Other debt |
|-------------------------|------------------------|-------|---------------------|---------------|------------|
|-------------------------|------------------------|-------|---------------------|---------------|------------|

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|                       | security payable  |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |
|-----------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
|                       | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 |
| Interest rate         |                   |                  |                   | 122,125,483       | 137,951,054      | 149,721,783       |                   |                  |                   |                   |                  |                   |                   | 200,038          |
| Interest rate bearing | 8,539,549         | 7,328,279        | 16,207,864        | 3,829,413         | 1,425,499        | 4,840,289         | 777,580           | 1,096,627        | 606,003           | 27,626,862        | 24,636,827       | 25,426,125        | 1,073,004         | 3,338,969        |
|                       | 8,539,549         | 7,328,279        | 16,207,864        | 125,954,896       | 139,376,553      | 154,562,072       | 777,580           | 1,096,627        | 606,003           | 27,626,862        | 24,636,827       | 24,426,125        | 1,273,042         | 3,338,969        |

## 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>March 31, 2004</u> | <u>March 31, 2003</u> |
|--|-----------------------|-----------------------|
| Average appraised stock in circulation                     | 132,941,251           | 120,648,184           |
| Average appraised diluted ordinary stock                   | 320,926,666           | 219,113,184           |
|  | <u>March 31, 2004</u> | <u>March 31, 2003</u> |
| Earnings for the calculation of basic earnings per share   | 10,249,604            | 57,285,672            |
| Exchange differences                                       | 3,276,531             | 19,488,034            |
| Interest   | 8,071,022             | 4,519,521             |
| Income tax   | (3,971,644)           | (8,402,645)           |
| Earnings for the calculation of diluted earnings per share | 17,625,513            | 72,890,582            |
| <b><u>BASIC Earnings per share</u></b>                     | <u>March 31, 2004</u> | <u>March 31, 2003</u> |
| Earnings   | 10,249,604            | 57,285,672            |
| Number of shares   | 132,941,251           | 120,648,184           |
| Earnings per share   | 0.08                  | 0.47                  |
| <b><u>DILUTED Earnings per share</u></b>                   | <u>March 31, 2004</u> | <u>March 31, 2003</u> |
| Earnings   | 17,625,513            | 72,890,582            |
| Number of shares   | 320,926,666           | 219,113,184           |
| Earnings per share   | 0.05                  | 0.33                  |

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

**Note 7: SEGMENT INFORMATION**As of March 31, 2004:

| Description                       | Crops       | Beed Cattle | Milk       | Others      | Total       |
|-----------------------------------|-------------|-------------|------------|-------------|-------------|
| Sales                             | 17,099,209  | 19,400,403  | 2,511,919  | 725,992     | 39,737,343  |
| Assets                            | 100,352,242 | 146,818,597 | 11,161,891 | 347,410,663 | 605,743,393 |
| Liabilities                       | 2,656,481   | 1,564,278   | 38,381     | 159,912,789 | 164,171,929 |
| Fixed asset additions             | 5,385,676   | 2,610,290   | 43,370     | 556,314     | 8,595,650   |
| Depreciation of fixed assets      | 615,954     | 885,055     | 158,087    | 624,653     | 2,283,749   |
| Amortization of intangible assets |             |             |            | 369,637     | 369,637     |
| Income from related companies     | 1,399,508   | 430,637     | 212,317    | 1,364,582   | 3,407,044   |

As of March 31, 2004:

| Description                       | Crops      | Beed Cattle | Milk      | Others      | Total       |
|-----------------------------------|------------|-------------|-----------|-------------|-------------|
| Sales                             | 37,905,971 | 11,414,198  | 1,657,986 | 563,042     | 51,541,197  |
| Assets                            | 78,113,104 | 141,510,723 | 9,145,184 | 355,888,180 | 584,657,191 |
| Liabilities                       | 11,945,539 | 665,136     | 117,187   | 189,123,262 | 201,851,124 |
| Fixed asset additions             | 536,899    | 1,067,215   | 95,757    | 97,730      | 1,797,601   |
| Depreciation of fixed assets      | 1,077,451  | 841,900     | 114,269   | 175,443     | 2,209,063   |
| Amortization of intangible assets |            |             |           | 352,592     | 352,592     |
| Income from related companies     | 1,820,321  | 490,996     | 234,686   | 64,212,210  | 66,758,213  |

**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 5997 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 periods beginning as from July 1, 2003 and ended on March 31, 2004  
comparative with the year ended on June 30, 2003 and with the period ended on March 31, 2003

(Notes 1, 2, and 3)

**Schedule A**

| Principal Account              | Value at<br>the beginning<br>of the period | Additions<br>and/or<br>transfers | Deductions<br>and/or<br>transfers | Value at<br>the end of<br>period | Depreciation |  |                              |                             | Net<br>carrying<br>value at<br>March<br>31,2004 | Net<br>carrying<br>value at<br>June<br>30,2003 | Net<br>carrying<br>value at<br>March<br>31,2003 |   |   |       |       |       |
|--------------------------------|--|----------------------------------|-----------------------------------|----------------------------------|--------------|--|------------------------------|-----------------------------|---|--|---|---|---|-------|-------|-------|
|                                |  |                                  |                                   |                                  | Rate         | Accumulated<br>at the<br>beginning<br>of the<br>period | Decrease<br>of the<br>period | Current<br>period<br>Amount |   |  |   | Accumulated<br>at the<br>end of<br>period |   |       |       |       |
|                                |  |                                  |                                   |                                  |              |  |                              |                             |   |  |   |   | % | Pesos | Pesos | Pesos |
|                                |  |                                  |                                   |                                  |              |  |                              |                             |   |  |   |   |   |       |       |       |
| Real estate                    | 124,332,894                                | 31,537                           | 2,397,568                         | 121,966,863                      |              |  |                              |                             | 121,966,863                                     | 124,332,894                                    | 101,683,894                                     |   |   |       |       |       |
| Fences                         | 5,487,465                                  | 1,260                            |                                   | 5,488,725                        | 3            | 1,290,600  |                              | 129,516                     | 1,420,116                                       | 4,068,609                                      | 4,196,865                                       | 4,222,865                                 |   |       |       |       |
| Feeding troughs                | 3,677,240                                  | 2,592                            |                                   | 3,679,832                        | 5            | 852,156  |                              | 134,322                     | 986,478   | 2,693,354                                      | 2,825,084                                       | 2,866,476                                 |   |       |       |       |
| Pasture fields and meadows     | 3,358,824                                  | 336,084                          | 1,581,013                         | 2,113,895                        | 12-25-50     | 2,368,752  | 1,393,201                    | 346,059                     | 1,321,610                                       | 792,285  | 990,072   | 811,072                                   |   |       |       |       |
| Buildings and constructions    | 5,573,995                                  | 7,980                            |                                   | 5,581,975                        | 2            | 1,881,588  |                              | 72,502                      | 1,954,090                                       | 3,627,885                                      | 3,692,407                                       | 3,930,407                                 |   |       |       |       |
| Ministry                       | 9,136,628                                  | 50,369                           | 570,400                           | 8,616,597                        | 10           | 5,547,697  | 436,898                      | 590,802                     | 5,701,601                                       | 2,914,996                                      | 3,588,931                                       | 4,022,931                                 |   |       |       |       |
| Trucks                         | 1,160,475                                  | 241,653                          | 153,287                           | 1,248,841                        | 20           | 732,760  | 124,800                      | 156,672                     | 764,632   | 484,209  | 427,715   | 373,715                                   |   |       |       |       |
| Tractors                       | 192,157                                    | 10,785                           | 5,916                             | 197,026                          | 10           | 120,938  | 3,932                        | 11,270                      | 128,276   | 68,750   | 71,219  | 71,219                                    |   |       |       |       |
| Structure and equipment        | 1,099,079                                  | 86,938                           | 20,741                            | 1,165,276                        | 10           | 701,722  | 4,148                        | 69,638                      | 767,212   | 398,064  | 397,357   | 414,357                                   |   |       |       |       |
| Feeding livestock              | 385,598                                    |                                  | 262,455                           | 123,143                          | 20           | 385,598  | 262,455                      |                             | 123,143   |  |   |   |   |       |       |       |
| Al and leading lanes           | 624,985                                    | 14,933                           |                                   | 639,918                          | 3            | 109,968  |                              | 15,603                      | 125,571   | 514,347  | 515,017   | 499,017                                   |   |       |       |       |
| Trucks                         | 1,364,949                                  |                                  |                                   | 1,364,949                        | 10           | 717,322  |                              | 93,694                      | 811,016   | 553,933  | 647,627   | 671,627                                   |   |       |       |       |
| Utilities                      | 6,022,694                                  | 323,925                          |                                   | 6,346,619                        | 10-20-33     | 2,848,525  |                              | 508,886                     | 3,357,411                                       | 2,989,208                                      | 3,174,169                                       | 3,092,169                                 |   |       |       |       |
| Computer equipment             | 1,290,810                                  | 73,641                           | 7,371                             | 1,357,080                        | 20           | 966,549  | 7,108                        | 107,588                     | 1,067,029                                       | 290,051  | 324,261   | 233,261                                   |   |       |       |       |
| Trucks                         | 10,444                                     |                                  |                                   | 10,444                           | 10           | 10,444   |                              |                             | 10,444  |  |   |   |   |       |       |       |
| Plants                         | 1,166,150                                  |                                  |                                   | 1,166,150                        | 5            | 252,571  |                              | 47,197                      | 299,768   | 866,382  | 913,579   | 813,579                                   |   |       |       |       |
| Construction in progress       | 2,331,204                                  | 5,706,918                        | 5,778                             | 8,032,344                        |              |  |                              |                             |   | 8,032,344                                      | 2,331,204                                       | 3,512,204                                 |   |       |       |       |
| Advances to suppliers          | 82,445                                     | 1,928,464                        |                                   | 2,010,909                        |              |  |                              |                             |   | 2,010,909                                      | 82,445  | 170,445                                   |   |       |       |       |
| <b>Total at March 31, 2004</b> | <b>167,298,036</b>                         | <b>8,817,079</b>                 | <b>5,004,529</b>                  | <b>171,110,586</b>               |              | <b>18,787,190</b>                                      | <b>2,232,542</b>             | <b>2,283,749</b>            | <b>18,838,397</b>                               | <b>152,272,189</b>                             |   |   |   |       |       |       |
| <b>Total at June 30, 2003</b>  | <b>145,825,463</b>                         | <b>31,208,768</b>                | <b>9,736,195</b>                  | <b>167,298,036</b>               |              | <b>17,593,154</b>                                      | <b>1,887,815</b>             | <b>3,081,851</b>            | <b>18,787,190</b>                               |  | <b>148,510,846</b>                              |   |   |       |       |       |
| <b>Total at March 31, 2003</b> | <b>145,825,463</b>                         | <b>1,892,938</b>                 | <b>1,621,610</b>                  | <b>146,096,791</b>               |              | <b>17,593,154</b>                                      | <b>1,125,250</b>             | <b>2,209,063</b>            | <b>18,676,967</b>                               |  |   | <b>127,419,791</b>                        |   |       |       |       |



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

**Unaudited Consolidated Intangible Assets**

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

(Notes 1, 2, and 3)

**Schedule B**

| <b>Principal<br/>Account</b>   | <b>Value at the<br/>beginning and end<br/>of the period<br/>Pesos</b> | <b>Amortization</b>   |                       |                |   | <b>Net carrying</b> | <b>Net carrying</b> | <b>Net carrying</b> |
|--------------------------------|---|---|-----------------------|----------------|---|---------------------|---------------------|---------------------|
|                                |   | <b>Accumulated<br/>at the beginning<br/>of period<br/>Pesos</b> | <b>Current period</b> |                | <b>Accumulated<br/>at the end of<br/>period<br/>Pesos</b> | <b>value at</b>     | <b>value at</b>     | <b>value at</b>     |
|                                |   |   | <b>Rate</b>           | <b>Amount</b>  |   | <b>March 31,</b>    | <b>June 30,</b>     | <b>March 31,</b>    |
|                                |   |   | <b>%</b>              | <b>Pesos</b>   |   | <b>2004</b>         | <b>2003</b>         | <b>2003</b>         |
|                                |   |   |                       |                |   | <b>Pesos</b>        | <b>Pesos</b>        | <b>Pesos</b>        |
| Development expenditures       | 1,410,368   | 1,057,774   | 33.33                 | 352,594        | 1,410,368   |                     | 352,593             | 470,123             |
| Brands and patents             | 18,938  | 1,895   |                       | 17,043         | 18,938  |                     | 17,044              | 18,938              |
| <b>Total at March 31, 2004</b> | <b>1,429,306</b>  | <b>1,059,669</b>  |                       | <b>369,637</b> | <b>1,429,306</b>  |                     |                     |                     |
| <b>Total at June 30, 2003</b>  | <b>1,429,306</b>  | <b>587,653</b>  |                       | <b>472,016</b> | <b>1,059,669</b>  |                     | <b>369,637</b>      |                     |
| <b>Total at March 31, 2003</b> | <b>1,429,306</b>  | <b>587,653</b>  |                       | <b>352,592</b> | <b>940,245</b>  |                     |                     | <b>489,061</b>      |

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

**Unaudited Consolidated Investments**

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

(Notes 1, 2, and 3)

**Schedule C**

|   |               |  |                                       |  |                         | <b>INFORMATION ON THE ISSUER</b>   |                                      |                                |              |
|---|---------------|--|---------------------------------------|--|-------------------------|------------------------------------|--------------------------------------|--------------------------------|--------------|
|   |               |  |                                       |  |                         | <b>Latest financial statements</b> |                                      |                                |              |
| <b>Type and characteristics<br/>of the securities</b> | <b>Amount</b> | <b>Value at<br/>March 31,<br/>2004</b> | <b>Value at<br/>June 30,<br/>2003</b> | <b>Value at<br/>March 31,<br/>2003</b> | <b>Market<br/>value</b> | <b>Principal activity</b>          | <b>Income<br/>for the<br/>period</b> | <b>Shareholders<br/>Equity</b> |              |
|   |               | <b>Pesos</b>                           | <b>Pesos</b>                          | <b>Pesos</b>                           | <b>Pesos</b>            |                                    | <b>Capital</b>                       | <b>Pesos</b>                   | <b>Pesos</b> |
| <b><u>Current Investments</u></b>                     |               |  |                                       |  |                         |                                    |                                      |                                |              |
| Mutual Funds  |               |  |                                       |  |                         |                                    |                                      |                                |              |
| ABN AMRO in pesos                                     |               |  | 2,888,061                             |  |                         |                                    |                                      |                                |              |
| Deutsche Dollar Fund                                  |               |  |                                       | 24,494,713                             |                         |                                    |                                      |                                |              |
| ABN AMRO in dollars                                   |               |  |                                       | 295,966                                |                         |                                    |                                      |                                |              |
| Fondo especial Banco Río in pesos                     |               |  | 1,042,426                             |  |                         |                                    |                                      |                                |              |
| Fondo Plazo fijo Banco Río in dollars                 | 1,778         | 4,030                                  | 3,940                                 | 3,903                                  | 2,267,098               |                                    |                                      |                                |              |
|   |               | <u>4,030</u>                           | <u>3,934,427</u>                      | <u>24,794,582</u>                      |                         |                                    |                                      |                                |              |
| <b>Notes and</b>                                      |               |  |                                       |  |                         |                                    |                                      |                                |              |
| <b>Convertible Bonds</b>                              |               |  |                                       |  |                         |                                    |                                      |                                |              |
| <b>Interest of</b>                                    |               |  |                                       |  |                         |                                    |                                      |                                |              |
| <b>Convertible Bonds</b>                              |               |  |                                       |  |                         |                                    |                                      |                                |              |
| 2007 -IRSA  |               | 4,412,090                              | 1,422,315                             | 4,357,055                              |                         |                                    |                                      |                                |              |
| Bonos Global 2010                                     | 110,000       | 99,264                                 | 102,463                               | 79,200                                 |                         |                                    |                                      |                                |              |
| Bocon Pro 1   | 157,647       | 630                                    | 630                                   | 630                                    |                         |                                    |                                      |                                |              |
| Tax credit certificate                                |               |  |                                       | 6,129                                  |                         |                                    |                                      |                                |              |
|   |               | <u>4,511,984</u>                       | <u>1,525,408</u>                      | <u>4,443,014</u>                       |                         |                                    |                                      |                                |              |
| <b>Deposits in local banks</b>                        |               |  |                                       |  |                         |                                    |                                      |                                |              |
|   |               |  |                                       | 1,080,000                              |                         |                                    |                                      |                                |              |

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|   |            |              |              |              |          |  |             |            |             |
|---|------------|--------------|--------------|--------------|----------|--|-------------|------------|-------------|
|   |            |              |              | 1,080,000    |          |  |             |            |             |
| Deposits in foreign banks                                 |            | 3,039,960    |              |              |          |  |             |            |             |
|   |            | 3,039,960    |              |              |          |  |             |            |             |
| Total current investments                                 |            | 7,555,974    | 5,459,835    | 30,317,596   |          |  |             |            |             |
| <b>Non-current investments</b>                            |            |              |              |              |          |  |             |            |             |
| <b>Related companies</b>                                  |            |              |              |              |          |  |             |            |             |
| <b>Law 19,550. Article 33</b>                             |            |              |              |              |          |  |             |            |             |
| AGRO-URANGA S.A.  |            |              |              |              | unlisted | Agricultural and livestock   | 2,500,000   | 5,096,482  | 15,561,863  |
| Shares  | 893,069    | 5,425,695    | 4,971,181    | 5,411,499    |          |  |             |            |             |
| 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   |          |  |             |            |             |
|   |            | 16,612,710   | 16,158,196   | 16,598,514   |          |  |             |            |             |
| CACTUS ARGENTINA S.A.                                     |            |              |              |              | unlisted | Exploitation and administration of agricultural and beef cattle products | 1,300,000   | 641,477    | 6,397,024   |
| Shares  | 650,000    | 1,062,894    | 742,155      | 778,026      |          |  |             |            |             |
| Contribution on account of future subscriptions of shares |            | 2,135,618    | 2,135,618    | 2,135,618    |          |  |             |            |             |
|   |            | 3,198,512    | 2,877,773    | 2,913,644    |          |  |             |            |             |
| IRSA Inversiones y Representaciones S.A.                  |            |              |              |              |          |  |             |            |             |
| Shares  | 51,228,120 | 193,533,755  | 183,285,586  | 189,140,831  | listed   | Real state   | 238,253,538 | 45,233,089 | 900,093,565 |
|   |            | 193,533,755  | 183,285,586  | 189,140,831  |          |  |             |            |             |
| Subtotal  |            | 213,344,977  | 202,321,555  | 208,652,989  |          |  |             |            |             |
| <b>Other Investments</b>                                  |            |              |              |              |          |  |             |            |             |
| Convertible Bonds   |            |              |              |              |          |  |             |            |             |
| 2007 - IRSA   | 49,943,168 | 142,837,462  | 139,139,526  | 143,114,940  |          |  |             |            |             |
| Coprolan  |            | 20,717       | 20,717       | 20,717       | Unlisted |  |             |            |             |
| Subtotal  |            | 142,858,179  | 139,160,243  | 143,135,657  |          |  |             |            |             |
| <b>Goodwill</b>   |            |              |              |              |          |  |             |            |             |
| Goodwill  |            | 824,595      | 1,319,353    | 1,484,273    |          |  |             |            |             |
| IRSA negative goodwill                                    |            | (21,018,232) | (20,666,951) | (20,089,372) |          |  |             |            |             |
| Subtotal  |            | (20,193,637) | (19,347,598) | (18,605,099) |          |  |             |            |             |

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|                               |             |             |             |
|-------------------------------|-------------|-------------|-------------|
| Total non-current investments | 336,009,519 | 322,134,200 | 333,183,547 |
|-------------------------------|-------------|-------------|-------------|

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

**Unaudited Consolidated Allowances and Provisions**

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

(Notes 1, 2, and 3)

**Schedule E**

| Item                       |                  |           | Deductions | Inflation  | Value at       | Value at      | Value at       |
|----------------------------|------------------|-----------|------------|------------|----------------|---------------|----------------|
|                            | Opening balances | Increases | (1)        | adjustment | March 31, 2004 | June 30, 2003 | March 31, 2003 |
|                            | Pesos            | Pesos     | Pesos      | Pesos      | Pesos          | Pesos         | Pesos          |
| <b>Deducted from asset</b> |                  |           |            |            |                |               |                |
| Defaulting debtors         | 479,125          |           | (94,464)   |            | 384,661        | 479,125       | 635,510        |
| Total at March 31, 2004    | 479,125          |           | (94,464)   |            | 384,661        |               |                |
| Total at June 30, 2003     | 802,934          | 50,000    | (286,146)  | (87,663)   |                | 479,125       |                |
| Total at March 31, 2003    | 802,934          |           | (79,996)   | (87,428)   |                |               | 635,510        |

(1) The accounting appropriation is included in Note 4.k.

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

**Unaudited Consolidated Cost of sales**

Corresponding to the periods beginning as from July 1, 2003 and 2002  
and ended on March 31, 2004 and 2003

(Notes 1, 2, and 3)

**Schedule F**

|                                       | Crops          |                | Beef Cattle    |                | Milk           |                | Others         |                | Total          |                |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                       | March 31, 2004 | March 31, 2003 | March 31, 2004 | March 31, 2003 | March 31, 2004 | March 31, 2003 | March 31, 2004 | March 31, 2003 | March 31, 2004 | March 31, 2003 |
|                                       | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          |
| <b>At the beginning of the period</b> |                |                |                |                |                |                |                |                |                |                |
|                                       |                |                | 48,619,300     | 35,445,265     | 2,294,684      | 1,467,561      |                |                | 50,913,984     | 36,912,826     |
|                                       | 6,301,776      | 25,222,406     |                |                |                |                |                |                | 6,301,776      | 25,222,406     |
| Crops                                 | 1,112,230      | 835,288        |                |                |                |                |                |                | 1,112,230      | 835,288        |
| Order                                 |                |                | 112,517        | 291,033        | 58,969         | 115,435        |                |                | 171,486        | 406,468        |
|                                       | 1,222,255      | 2,749,377      |                | 30,355         | 33,362         | 51,732         | 246,069        | 293,378        | 1,501,686      | 3,124,842      |
|                                       | 8,636,261      | 28,807,071     | 48,731,817     | 35,766,653     | 2,387,015      | 1,634,728      | 246,069        | 293,378        | 60,001,162     |                |
| Its                                   |                |                | 1,517,835      | 12,049,596     | 388,308        | 580,049        |                |                | 1,906,143      |                |
| market results                        | (2,132,913)    | (1,019,649)    |                |                |                |                |                |                | (2,132,913)    |                |
| inventories to expenses               | (164,529)      | (93,181)       | (43,726)       | (53,118)       |                |                |                |                | (208,255)      |                |
| inventories to fixed assets           | (220,039)      | (94,143)       |                |                |                |                | (1,390)        | (1,194)        | (221,429)      |                |
| harvested crops to expenses           | (5,847,565)    | (8,045,390)    | (260,344)      | (334,274)      | (260,405)      | (151,687)      | (421,992)      | (345,260)      | (6,790,306)    |                |
| inventories                           |                |                | 181,161        | 253,456        | (184,161)      | (253,456)      |                |                |                |                |
|                                       | 15,879,887     | 14,062,444     | 10,535,013     | 2,583,604      | 827,041        | 5,725          | 482,725        | 444,766        | 27,724,666     |                |
| expenses (Schedule H)                 | 7,866,780      | 11,287,278     | 10,801,656     | 5,290,934      | 1,295,561      | 1,078,529      | 876,174        | 861,293        | 20,840,171     |                |
| <b>At the end of the period</b>       |                |                |                |                |                |                |                |                |                |                |
|                                       |                |                | (57,471,806)   | (52,289,855)   | (4,021,252)    | (1,766,060)    |                |                | (61,493,058)   | (54,055,915)   |
|                                       | (6,272,900)    | (4,545,133)    |                |                |                |                |                |                | (6,272,900)    | (4,545,133)    |
| Crops                                 | (8,515,388)    | (6,769,137)    |                |                |                |                |                |                | (8,515,388)    | (6,769,137)    |
| Order                                 |                | (1,759,000)    | (189,957)      | (134,763)      | (92,564)       | (42,024)       | (3,215)        |                | (285,736)      | (1,935,787)    |
|                                       | (2,664,094)    | (1,313,237)    |                |                | (41,814)       | (34,360)       | (217,389)      | (299,846)      | (2,923,297)    | (1,647,443)    |
|                                       | 6,565,500      | 30,517,923     | 13,804,649     | 3,132,233      | 297,729        | 1,051,444      | 960,982        | 953,137        | 21,628,860     |                |

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Unaudited Consolidated Foreign currency assets and liabilities

Corresponding to the periods beginning as from July 1, 2003 and ended on March 31, 2004

Comparative with the year ended on June 30, 2003 and with the period ended on March 31, 2003

(Notes 1, 2, and 3)

## Schedule G

| Item                                     | March 31, 2004                      |                             |                                | June 30, 2003                       |                                | March 31, 2003                      |                                |
|--|-------------------------------------|-----------------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|
|  | Type and amount of foreign currency | Current exchange rate Pesos | Amount in local currency Pesos | Type and amount of foreign currency | Amount in local currency Pesos | Type and amount of foreign currency | Amount in local currency Pesos |
| <b>Current Asset</b>                     |                                     |                             |                                |                                     |                                |                                     |                                |
| Cash and banks                           | US\$ 3,077,579                      | 2.82                        | 8,678,773                      | US\$ 5,781,624                      | 15,610,384                     | US\$ 1,144,275                      | 3,295,511                      |
| Investments:                             |                                     |                             |                                |                                     |                                |                                     |                                |
| Mutual funds                             | US\$ 1,429                          | 2.82                        | 4,030                          | US\$ 1,459                          | 3,940                          | US\$ 8,609,230                      | 24,794,582                     |
| Interest of Convertible Bonds 2007 -IRSA | US\$ 1,542,689                      | 2.86                        | 4,412,090                      | US\$ 507,970                        | 1,422,315                      | US\$ 1,512,866                      | 4,357,055                      |
| Deposits in foreign banks                | US\$ 1,078,000                      | 2.82                        | 3,039,960                      | US\$                                | US\$                           |                                     |                                |
| Trade accounts receivable                |                                     |                             |                                |                                     |                                |                                     |                                |
| Accounts receivable                      | US\$ 15,070                         | 2.82                        | 42,496                         | US\$ 748,238                        | 2,020,242                      | US\$ 3,136,978                      | 9,034,498                      |
| Other receivables and prepaid expenses:  |                                     |                             |                                |                                     |                                |                                     |                                |
| Secured by mortgages                     | US\$ 352,058                        | 2.82                        | 992,804                        | US\$                                |                                | US\$                                |                                |
| Guarantee deposits                       | US\$ 1,432,895                      | 2.82                        | 4,040,763                      | US\$ 252,603                        | 682,027                        | US\$ 274,451                        | 790,419                        |
| <b>Non-Current Asset</b>                 |                                     |                             |                                |                                     |                                |                                     |                                |
| Investments:                             |                                     |                             |                                |                                     |                                |                                     |                                |
| Convertible Bonds 2007 -IRSA             | US\$ 49,943,168                     | 2.86                        | 142,837,462                    | US\$ 49,692,688                     | 139,139,526                    | US\$ 49,692,688                     | 143,114,940                    |
| <b>Total Asset</b>                       | <b>US\$ 57,442,888</b>              |                             | <b>164,048,378</b>             | <b>US\$ 56,984,582</b>              | <b>158,878,434</b>             | <b>US\$ 64,370,488</b>              | <b>185,387,005</b>             |
| <b>Current liabilities</b>               |                                     |                             |                                |                                     |                                |                                     |                                |
| Debs:                                    |                                     |                             |                                |                                     |                                |                                     |                                |
| Suppliers                                | US\$ 378,114                        | 2.86                        | 1,081,407                      | US\$ 155,871                        | 436,439                        | US\$ 3,094,943                      | 9,222,930                      |
| Accrual for other expenses               | US\$ 153,420                        | 2.86                        | 438,782                        | US\$ 168,608                        | 472,102                        | US\$ 335,515                        | 999,834                        |
| Loans:                                   |                                     |                             |                                |                                     |                                |                                     |                                |
| Interest of Convertible Bonds 2007 -IRSA | US\$ 1,338,956                      | 2.86                        | 3,829,413                      | US\$ 509,107                        | 1,425,499                      | US\$ 1,516,618                      | 4,519,521                      |
| <b>Non-current liabilities</b>           |                                     |                             |                                |                                     |                                |                                     |                                |
| Loans:                                   |                                     |                             |                                |                                     |                                |                                     |                                |
| Convertible Bonds 2007                   | US\$ 43,347,480                     | 2.86                        | 123,973,793                    | US\$ 49,803,916                     | 139,450,965                    | US\$ 49,815,916                     | 148,451,430                    |
| <b>Total Liabilities</b>                 | <b>US\$ 45,217,970</b>              |                             | <b>129,323,395</b>             | <b>US\$ 50,637,502</b>              | <b>141,785,005</b>             | <b>US\$ 54,762,992</b>              | <b>163,193,715</b>             |

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US\$: US dollars



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**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, 2003 and 2002

and ended on March 31, 2004 and 2003

(Notes 1, 2, and 3)

**Schedule H**

| Items                              | Total             | Operating Expenses |                   |                   |                  |                | Expenses         |                  | Total             |
|------------------------------------|-------------------|--------------------|-------------------|-------------------|------------------|----------------|------------------|------------------|-------------------|
|                                    | March 31, 2004    | Total              | Crops             | Beef cattle       | Milk             | Others         | Selling          | Administrative   | March 31, 2003    |
|                                    | Pesos             | Pesos              | Pesos             | Pesos             | Pesos            | Pesos          | Pesos            | Pesos            | Pesos             |
| Directors fees                     | 7,597             |                    |                   |                   |                  |                |                  | 7,597            | 56,435            |
| Fees and payments for services     | 973,059           | 341,736            | 131,072           | 156,500           | 5,700            | 48,464         |                  | 631,323          | 800,169           |
| Salaries and wages                 | 5,036,976         | 2,238,367          | 461,853           | 1,304,271         | 217,766          | 254,477        | 38,998           | 2,759,611        | 2,976,451         |
| Social security contributions      | 606,395           | 290,243            | 119,828           | 155,000           | 13,680           | 1,735          |                  | 316,152          | 502,076           |
| Taxes, rates and contributions     | 360,276           | 311,176            | 119,024           | 146,429           | 19,925           | 25,798         | 23,653           | 25,447           | 239,225           |
| Gross sales taxes                  | 402,810           |                    |                   |                   |                  |                | 402,810          |                  | 437,755           |
| Office and administrative expenses | 267,665           | 85,016             |                   | 6,006             |                  | 79,010         |                  | 182,649          | 245,058           |
| Bank commissions and expenses      | 20,554            | 20,554             | 4,566             | 5,267             | 241              | 10,480         |                  |                  | 40,730            |
| Depreciation of fixed assets       | 2,283,749         | 2,100,447          | 1,036,213         | 854,205           | 171,398          | 38,631         |                  | 183,302          | 2,209,063         |
| Vehicle and travelling expenses    | 380,736           | 262,513            | 106,156           | 132,774           | 11,210           | 12,373         | 4,052            | 114,171          | 313,870           |
| Spare parts and repairs            | 794,945           | 794,945            | 384,129           | 342,872           | 64,209           | 3,735          |                  |                  | 550,042           |
| Insurance                          | 239,635           | 28,594             | 12,484            | 13,444            | 953              | 1,713          |                  | 211,041          | 269,637           |
| Employees maintenance              | 116,380           | 99,111             | 26,127            | 64,164            | 3,998            | 4,822          |                  | 17,269           | 105,478           |
| Amortization of intangible assets  | 369,637           | 369,637            |                   |                   |                  |                | 369,637          |                  | 352,592           |
| Livestock expenses                 | 8,244,188         | 7,267,348          |                   | 7,267,348         |                  |                | 976,840          |                  | 3,487,515         |
| Dairy farm expenses                | 776,075           | 776,075            |                   |                   | 776,075          |                |                  |                  | 725,408           |
| Agricultural expenses              | 6,875,184         | 5,223,552          | 5,223,552         |                   |                  |                | 1,651,632        |                  | 10,723,504        |
| Silo expenses                      | 233,522           | 233,522            | 233,522           |                   |                  |                |                  |                  | 198,347           |
| Coal expenses                      | 10,329            | 1,747              |                   |                   |                  | 1,747          | 8,582            |                  | 33,568            |
| Firewood expenses                  | 497               |                    |                   |                   |                  |                | 497              |                  | 11,717            |
| FyO expenses                       | 39,301            | 5,722              |                   |                   |                  | 5,722          | 33,579           |                  | 60,574            |
| General expenses                   | 385,200           | 384,838            | 8,254             | 353,376           | 10,406           | 12,802         |                  | 362              | 270,210           |
| Contributions and services         | 35,183            | 5,028              |                   |                   |                  | 5,028          |                  | 30,155           | 31,638            |
| <b>Total at March 31, 2004</b>     | <b>28,459,893</b> | <b>20,840,171</b>  | <b>7,866,780</b>  | <b>10,801,656</b> | <b>1,295,561</b> | <b>876,174</b> | <b>3,140,643</b> | <b>4,479,079</b> |                   |
| <b>Total at March 31, 2003</b>     |                   | <b>18,518,034</b>  | <b>11,287,278</b> | <b>5,290,934</b>  | <b>1,078,529</b> | <b>861,293</b> | <b>3,274,026</b> | <b>2,849,002</b> | <b>24,641,062</b> |

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

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

|  | March 31, 2004     | June 30, 2003      | March 31, 2003     |
|--|--------------------|--------------------|--------------------|
|  | (Notes 1 and 2)    | (Notes 1 and 2)    | (Notes 1 and 2)    |
|  | Pesos              | Pesos              | Pesos              |
| <b>ASSETS</b>                                      |                    |                    |                    |
| <b>Current Assets</b>                              |                    |                    |                    |
| Cash and banks (Note 8.a.)                         | 9,732,714          | 16,804,920         | 6,038,924          |
| Investments (Note 8.b. )                           | 7,555,974          | 5,459,835          | 30,317,596         |
| Trade accounts receivable (Note 8.c. )             | 3,708,165          | 6,216,651          | 11,366,780         |
| Other receivables and prepaid expenses (Note 8.d.) | 15,260,833         | 6,132,962          | 3,960,344          |
| Inventories (Note 8.e.)                            | 36,184,984         | 22,086,691         | 31,257,080         |
| <b>Total Current Assets</b>                        | <b>72,442,670</b>  | <b>56,701,059</b>  | <b>82,940,724</b>  |
| <b>Non-Current Assets</b>                          |                    |                    |                    |
| Other receivables and prepaid expenses (Note 8.d.) | 17,154             | 504,192            | 678,283            |
| Inventories (Note 8.e.)                            | 40,691,688         | 34,947,790         | 35,161,443         |
| Investments (Note 8.b. )                           | 224,316,655        | 213,361,465        | 219,805,428        |
| Other investments (Note 8.b. )                     | 142,858,179        | 139,160,243        | 143,135,657        |
| Fixed assets, net (Schedule A)                     | 146,413,833        | 141,882,382        | 120,757,869        |
| <b>Subtotal Non Current Assets</b>                 | <b>554,297,509</b> | <b>529,856,072</b> | <b>519,538,680</b> |
| Goodwill (Note B.b.)                               | (20,193,637)       | (19,347,598)       | (18,605,099)       |
| <b>Total Non-Current Assets</b>                    | <b>534,103,872</b> | <b>510,508,474</b> | <b>500,933,581</b> |
| <b>Total Assets</b>                                | <b>606,546,542</b> | <b>567,209,533</b> | <b>583,874,305</b> |
| <b>LIABILITIES</b>                                 |                    |                    |                    |
| <b>Current Liabilities</b>                         |                    |                    |                    |
| <b>Debts:</b>                                      |                    |                    |                    |
| Trade accounts payable (Note 8.f.)                 | 8,367,425          | 7,225,215          | 16,096,487         |
| Loans (Note 8.g.)                                  | 3,829,413          | 1,425,499          | 7,701,737          |
| Salaries and social security payable (Note 8.h. )  | 729,828            | 1,052,445          | 573,796            |
| Taxes payable (Note 8.i.)                          | 1,276,818          | 1,769,547          | 768,603            |
| Other debts (Note 8.j.)                            | 3,563,540          | 4,108,839          | 5,607,937          |
| <b>Total Debts</b>                                 | <b>17,767,024</b>  | <b>15,581,545</b>  | <b>30,748,560</b>  |
| <b>Total Current Liabilities</b>                   | <b>17,767,024</b>  | <b>15,581,545</b>  | <b>30,748,560</b>  |
| <b>Non-Current Liabilities</b>                     |                    |                    |                    |
| Taxes payable (Note 8.i.)                          | 25,130,190         | 21,877,809         | 23,481,521         |

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|   |                    |                    |                    |
|---|--------------------|--------------------|--------------------|
| Loans (Note 8.g.)   | 122,125,483        | 137,951,054        | 146,852,737        |
| Other debts (Note 8.j.)                                     |                    |                    | 239,800            |
| <b>Total Non-Current Liabilities</b>                        | <b>147,255,673</b> | <b>159,828,863</b> | <b>170,574,058</b> |
| <b>Total liabilities</b>                                    | <b>165,022,697</b> | <b>175,410,408</b> | <b>201,322,618</b> |
| <b>SHAREHOLDERS EQUITY</b> (as per corresponding statement) | <b>441,523,845</b> | <b>391,799,125</b> | <b>382,551,687</b> |
| <b>Total Liabilities and Shareholders Equity</b>            | <b>606,546,542</b> | <b>567,209,533</b> | <b>583,874,305</b> |

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

Eduardo Sergio Elsztain

Chairman

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Statement of Income

Corresponding to the periods beginning as from July 1, 2003 and 2002

and ended on March 31, 2004 and 2003

|  | March 31, 2004              | March 31, 2003              |
|--|-----------------------------|-----------------------------|
|  | (Notes 1 and 2)             | (Notes 1 and 2)             |
|  | Pesos                       | Pesos                       |
|  | <u>                    </u> | <u>                    </u> |
| Sales  |                             |                             |
| Crops  | 17,099,029                  | 37,905,971                  |
| Beef cattle                                    | 18,579,458                  | 10,443,798                  |
| Milk   | 2,511,919                   | 1,657,986                   |
| Other  | 159,736                     | 74,800                      |
|  | <u>                    </u> | <u>                    </u> |
| Total Sales                                    | 38,350,142                  | 50,082,555                  |
|  | <u>                    </u> | <u>                    </u> |
| Cost of sales (Schedule F)                     |                             |                             |
| Crops  | (6,565,500)                 | (30,517,923)                |
| Beef cattle                                    | (13,018,537)                | (2,403,484)                 |
| Milk   | (297,729)                   | (1,051,444)                 |
| Other  | (801)                       | (13,076)                    |
|  | <u>                    </u> | <u>                    </u> |
| Total cost of sale                             | (19,882,567)                | (33,985,927)                |
|  | <u>                    </u> | <u>                    </u> |
| Gross income                                   | <b>18,467,575</b>           | <b>16,096,628</b>           |
|  | <u>                    </u> | <u>                    </u> |
| Selling expenses (Schedule H)                  | (2,995,296)                 | (3,169,876)                 |
| Administrative expenses (Schedule H)           | (4,359,911)                 | (2,769,588)                 |
| Net gain on sale of farms                      | 1,085,345                   |                             |
| Gain from inventory holdings (Schedule F)      | 1,792,625                   | 11,581,104                  |
|  | <u>                    </u> | <u>                    </u> |
| Operating income                               | <b>13,990,338</b>           | <b>21,738,268</b>           |
|  | <u>                    </u> | <u>                    </u> |
| Financial Results (Note 8.k.)                  |                             |                             |
| Financial gain (loss) generated by assets      | 12,538,587                  | (44,868,110)                |
| Financial (loss) gain generated by liabilities | (12,326,467)                | 27,917,358                  |
| Other expenses:                                |                             |                             |
| Gains from others fixed assets sales           | 301,995                     | 5,734                       |
| Donations                                      | (6,200)                     | (2,199,288)                 |
| Others   | (5,358)                     | (206,221)                   |
| Gain from related companies                    | 3,338,813                   | 66,729,223                  |
| Management fees (Note 5)                       | (1,138,846)                 | (4,887,308)                 |
|  | <u>                    </u> | <u>                    </u> |
| Income before income tax                       | <b>16,692,862</b>           | <b>64,229,656</b>           |
|  | <u>                    </u> | <u>                    </u> |
| Income tax expense (Note 6)                    | (6,443,258)                 | (6,943,984)                 |

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| <b>Net income for the period</b> | <b>10,249,604</b> | <b>57,285,672</b> |
|----------------------------------|-------------------|-------------------|

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

Eduardo Sergio Elsztain

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, 2003 and 2002

and ended on March 31, 2004 and 2003

(Notes 1 and 2)

| Items   | Shareholders contributions               |  |   |                             |                    |                           |                               | Total at<br>March 31,<br>2004<br>Pesos | Total at<br>March 31,<br>2003<br>Pesos |           |             |             |
|---|--|--|---|-----------------------------|--------------------|---------------------------|-------------------------------|--|--|-----------|-------------|-------------|
|   | Common<br>stock<br>(Note 3)<br>Pesos     | Treasury<br>stock<br>(Note 3)<br>Pesos | Inflation<br>adjustment<br>of<br>Common<br>stock<br>Pesos | Paid-in<br>capital<br>Pesos | Total<br>Pesos     | Legal<br>reserve<br>Pesos | Retained<br>earnings<br>Pesos |  |  |           |             |             |
|   | Balances at the beginning of the period  | 124,098,095                            | 572,437   | 166,218,124                 | 89,991,775         | 380,880,431               | 5,833,163                     |  |  | 5,085,531 | 391,799,125 | 322,617,118 |
|   | Subscription of incentive plan (Note 13) | 327,437                                | (327,437)   |                             |                    |                           |                               |  |  | 327,437   | 327,437     | 2,088,363   |
| Conversion of bonds in common stock (Note 13)   | 12,714,510                               |  |   | 6,039,194                   | 18,753,704         |                           |                               | 18,753,704                             | 560,534                                |           |             |             |
| Exercise of Warrants  | 12,313,956                               |  |   | 9,580,019                   | 21,893,975         |                           |                               | 21,893,975                             |  |           |             |             |
| Appropriation of profits resolved by<br>Shareholders Meeting held on October 31, 2003 |  |  |   |                             |                    |                           |                               |  |  |           |             |             |
| Increase in legal reserve   |  |  |   |                             |                    | 254,277                   | (254,277)                     |  |  |           |             |             |
| Cash dividends  |  |  |   |                             |                    |                           | (1,500,000)                   | (1,500,000)                            |  |           |             |             |
| Net income for the period   |  |  |   |                             |                    |                           | 10,249,604                    | 10,249,604                             | 57,285,672                             |           |             |             |
| <b>Balances at March 31, 2004</b>   | <b>149,453,998</b>                       | <b>245,000</b>                         | <b>166,218,124</b>  | <b>105,610,988</b>          | <b>421,528,110</b> | <b>6,087,440</b>          | <b>13,908,295</b>             | <b>441,523,845</b>                     |  |           |             |             |
| <b>Balances at March 31, 2003</b>   | <b>121,216,205</b>                       | <b>3,430,697</b>                       | <b>166,218,124</b>  | <b>89,982,901</b>           | <b>380,847,927</b> | <b>5,833,163</b>          | <b>(4,129,403)</b>            |  | <b>382,551,687</b>                     |           |             |             |

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

Eduardo Sergio Elsztain

Chairman

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Cash Flow Statement

Corresponding to the periods beginning as from July 1, 2003 and 2002

and ended on March 31, 2004 and 2003

|  | March 31, 2004<br>(Notes 1 and 2)<br>Pesos | March 31,<br>2003<br>(Notes 1 and 2)<br>Pesos |
|--|--|---|
|  | <u>                    </u>                | <u>                    </u>                   |
| <b>Changes in funds</b>  |  |   |
| Funds at the beginning of the period   | 20,739,347                                 | 44,184,079                                    |
| Funds at the end of the period   | 12,776,704                                 | 31,913,506                                    |
|  | <u>                    </u>                | <u>                    </u>                   |
| Net decrease in funds  | (7,962,643)                                | (12,270,573)                                  |
| <b>Causes of changes in funds</b>  |  |   |
| <b><u>Operations activities</u></b>  |  |   |
| Income for the period  | 10,249,604                                 | 57,285,672                                    |
| Liabilities interest   | 8,071,022                                  | 5,752,819                                     |
| Income tax   | 6,443,258                                  | 6,943,984                                     |
| <b><u>Adjustments made to reach net cash flow from operations activities</u></b> |  |   |
| Results from interest in controlled and related companies                        | (3,338,813)                                | (66,729,223)                                  |
| Increase in allowances and reserves  | 2,094,519                                  | 7,938,353                                     |
| Amortization and depreciation  | 2,113,909                                  | 2,032,436                                     |
| Results from inventory holdings  | (1,792,625)                                | (11,581,104)                                  |
| Financial results  | (6,925,644)                                | 6,398,152                                     |
| Result from sale of fixed assets   | (1,387,340)                                | (5,734)                                       |
| <b>Changes in operating assets and liabilities</b>                               |  |   |
| Decrease in current investments  | 5,707,778                                  |   |
| Decrease in trade accounts receivable  | 2,508,486                                  | 5,404,353                                     |
| (Increase) decrease in other receivables   | (9,544,056)                                | 2,581,989                                     |
| (Increase) decrease in inventories   | (18,270,995)                               | 9,966,611                                     |
| Decrease in social securities, charges & taxes payable and advances to customers | (4,023,378)                                | (10,165,454)                                  |
| (Decrease) increase in trade accounts payable                                    | 186,537                                    | 578,937                                       |
| Dividends collected  | 1,146,595                                  | 774,157                                       |
| Decrease in other liabilities  | (1,684,145)                                | (3,449,860)                                   |
|  | <u>                    </u>                | <u>                    </u>                   |
| <b>Net funds (applied to) provided by operations activities</b>                  | <b>(8,445,288)</b>                         | <b>13,726,088</b>                             |
| <b><u>Investment activities</u></b>  |  |   |
| Increase in permanent investments  | (1,199,672)                                | (177,030,885)                                 |
| Increase in interest in related companies  | (8,037,546)                                | (15,939,018)                                  |
| Acquisition and upgrading of fixed assets  | (8,554,699)                                | (1,770,865)                                   |
| Collection of receivables related to the sale of fixed assets                    | 1,008,000                                  | 2,525,813                                     |
| Sale of fixed assets   | 3,518,108                                  | 493,525                                       |
|  | <u>                    </u>                | <u>                    </u>                   |
| <b>Net funds applied to investment activities</b>                                | <b>(13,265,809)</b>                        | <b>(191,721,430)</b>                          |
| <b><u>Financing activities</u></b>   |  |   |

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|   |                    |                     |
|---|--------------------|---------------------|
| Exercise of Warrants  | 21,893,975         |                     |
| Dividends paid  | (1,500,000)        |                     |
| Exercise of rights offering on treasury stock                                       | 327,437            | 2,088,363           |
| Increase in financial loans   |                    | 170,051,574         |
| Decrease in financial loans   | (5,667,108)        | (4,690,456)         |
| Issuance expenses of Convertible Bonds  | (1,305,850)        | (1,724,712)         |
| <b>Net funds provided by financing activities</b>                                   | <b>13,748,454</b>  | <b>165,724,769</b>  |
| <b>Net decrease in funds</b>  | <b>(7,962,643)</b> | <b>(12,270,573)</b> |
| <b>Items not involving changes in funds</b>   |                    |                     |
| Transfer of inventory to fixed assets   | 221,429            | 95,337              |
| Repayment of financial loans through issue of stock by exercise of conversion right | 18,753,704         | 560,534             |
| <b>Complementary information</b>  |                    |                     |
| Interest paid   | 5,667,108          | 4,647,660           |
| Income tax expense paid   | 727,313            | 7,869,318           |

Eduardo Sergio Elsztain  
Chairman



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

Corresponding to the periods beginning as from July 1, 2003 and 2002 and ended on  
March 31, 2004 and 2003

**NOTE 1: STANDARDS ACCOUNTING**

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 Argentine Federation of Professional Councils in Economic Sciences, as approved, with certain amendments, by the Professional Council of Economic Sciences of the City of Buenos Aires and the Argentine Securities Commission.

b. Accounting for inflation

The Company's financial statements have been prepared in accordance with Resolution M.D. 3/02 of the Professional Council of Economic Sciences of the City of Buenos Aires, which has established the application of Technical Resolution No. 6, as amended by Technical Resolution No. 19 of the Argentine Federation of Professional Councils in Economic Sciences, as from fiscal years or interim periods ended on or after March 31, 2002.

On March 25, 2003, the National Executive Branch issued Decree No. 664 establishing that financial statements for fiscal periods ended as from that date should be stated in nominal currency. Therefore, in accordance with Resolution No. 441 issued by the Argentine Securities and Exchange Commission 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 Professional Council of Economic Sciences of the City of Buenos Aires, by means of which the restatement of financial statements as of October 1, 2003 is no longer compulsory. However, as of March 31, 2004, this deviation did not have a material effect on the Company's financial statements.

As a consequence of the above, 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.

The coefficients prepared based on the domestic wholesale price index have been applied for purposes of the abovementioned restatement.

Amounts corresponding to the year ended on June 30, 2003 are exposed only for comparative effect in the Balance Sheet, Notes and Schedules.

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Amounts corresponding to the period ended on March 31, 2003 have been restated at February 28, 2003 for purposes of presentation on a comparative basis.

In the income statement for this fiscal period, the result from exposure to changes in the purchasing power of the currency and the financial results are both included in Financial Results .

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

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

**NOTE 1:** (Continued)

Financial statements corresponding to the nine month economic periods ended prior to March 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 nine month economic periods ended prior to March 31, 2004 and 2003 do not necessarily reflect the proportion of the company's result for such complete years.

c. New Accounting Standards

The Professional Council of Economic Sciences of the City of 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° 4, 5, 6, 8, 9, 11 and 14 and 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 Argentine Securities and Exchange Commission, through Resolution N° 434/03 has adopted such technical resolutions with some exceptions and modifications, which will be in force for fiscal years initiated as from January 1, 2003.

Additionally, the Professional Council of Economic Sciences of the City of 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. Furthermore, The Argentine Securities and Exchange Commission 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, however the Company has not used the option for its anticipated application.

The main modifications included by the above mentioned technical resolutions, which would imply significant adjustments on the company's accounting statements. The main changes basically result from the registration of income tax under the deferred tax method, as concerns agreements involving derivative instruments and the valuation of receivables and payables with no stated rate at their current value.

In addition, there are certain transitional rules that allow, and sometimes require, to apply prospectively the valuation and disclosure criteria introduced by the new accounting regulations, thus affecting comparability of the financial statements.

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

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

**NOTE 1:** (Continued)

The following table contains changes in comparative Financial Statements:

| <u>Description</u>   | <u>Effect on<br/>results at<br/>March 31,<br/>2003</u> |
|--|--|
|  | <u>Income (Loss)<br/>Pesos</u>                         |
| Application of Deferred Tax (vs. Current Tax method)   | (2,851,855)  |
| Market value of premiums for forward transactions  | (10,746)   |
| Registration in Long Term Investments of Adjustment of Results of Previous Fiscal Periods in related companies | 16,162,501   |
| <b>Total</b>   | <b>13,299,900</b>                                      |

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

The principal valuation and disclosure criteria for the preparation of the financial statements, applied on a basis consistent with respect to the last fiscal period, except as stated in note 1.c., which explains the changes in rules and adjustments of results of previous fiscal periods.

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 long-lived assets, income taxes and contingencies and assets recoverable value. Actual results could differ from those estimates.

b. Local currency assets and liabilities

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

c. Foreign currency assets and liabilities

Foreign currency assets and liabilities have been translated at the official rate of exchange in effect at March 31, 2004 and 2003

d. Temporary investments

Mutual funds and notes and convertible bonds are carried at market value as of period-end. Fund allocations overseas were valued at their purchasing value converted to pesos using the Banco Nación official exchange rate prevailing at the closing of the period plus accrued interest. Temporary investments do not exceed their recoverable value estimated at fiscal period-end.

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

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

**NOTE 2:** (Continued)

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 and options relate to cereal commitments deliverable at a previously agreed price (see Note 4) and are carried at market value at fiscal period-end.

h. Other receivables and payables

Miscellaneous receivables and payables have been valued at agreed values plus interest accrued at fiscal period-end.

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.

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2. Crops: at their quoted market value at the end of the period, less estimated sale expenses.
  
3. 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.

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 2:** (Continued)

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. 5 of the Argentine Federation of Professional Councils in Economic Sciences.

Holdings at March 31, 2004 are as follows:

| <u>Subsidiaries and affiliates</u>                   | <u>% Equity interest</u> |
|--|--------------------------|
| Inversiones Ganaderas S.A.                           | 99.99                    |
| Futures y Opciones.Com S.A.                          | 70.00                    |
| Cactus Argentina S.A.                                | 50.00                    |
| Agro Uranga S.A.                                     | 35.72                    |
| IRSA Inversiones y Representaciones Sociedad Anonima | 21.50                    |

Consolidated financial statements with Inversiones Ganaderas S.A. and Futuros y Opciones.Com S.A. at March 31, 2004, June 30, 2003 and March 31, 2003 are presented as complementary information.

At March 31, 2002, our investment in IRSA was valued by the equity method of accounting as a result of a change of strategy according to which those shares are carried as a long-term investment. This decision was made as a result of the impact of the recent economic measures on the financial markets, which modified the original budget with respect to these types of investments.

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.

2. Other Investments



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- Investments in debt securities

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

- Other investments

The remaining investments correspond to non-listed securities, which were valued at their restated cost, see Note 1.b.

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

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

**NOTE 2:** (Continued)

- Goodwill

The goodwill relating to the purchase of the subsidiary Futuros y Opciones.Com S.A. has been valued at its restated cost, calculated as the difference between the price paid for such investment and its equity value calculated at the time of purchase, restated into period-end currency by applying the coefficients mentioned in Note. 1.b.

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 b., 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 and changes during the period have been restated into period-end currency following the criteria set forth in Note 1.b.

n. Results for the period

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

The statement of income shows the financial results generated by assets and liabilities. Note 8.k. includes a breakdown of this information.

Financial results were segregated into results generated by assets and those generated by liabilities in the notes to the unaudited financial statements.

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.

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 2:** (Continued)

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%).

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><br>Pesos | <u>Subscribed</u><br>Pesos | <u>Paid in</u><br>Pesos |
|--|----------------------------|----------------------------|-------------------------|
| 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  | 2,353                      | 2,353                      | 2,353                   |
| Incentive Plan   |                            |                            |                         |
| Fiscal year 02   | 480,000                    | 480,000                    | 480,000                 |
| Incentive Plan   |                            |                            |                         |
| Fiscal year 03   | 3,559,853                  | 3,559,853                  | 3,559,853               |
| Conversion of bonds in common stock (Note 14)-Fiscal year 2003   | 386,140                    | 386,140                    | 386,140                 |
| Incentive Plan - Fiscal year 04-1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> quarter                                | 327,437                    | 327,437                    | 327,437                 |
| Conversion of bonds in common stock (Note 14)-Fiscal year 2004-1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> quarter | 12,714,510                 | 12,714,510                 | 12,714,510              |
| Exercise of Warrants (Note14)-Fiscal year 2004-1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> quarter                 | 12,313,956                 | 12,313,956                 | 12,313,956              |

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|   |                    |                    |                    |
|---|--------------------|--------------------|--------------------|
| Common and treasury stock at March 31, 2004 | <u>149,453,998</u> | <u>149,453,998</u> | <u>149,453,998</u> |
|---|--------------------|--------------------|--------------------|

Cresud Sociedad Anónima, Comercial,

Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Financial Statements (Continued)

**NOTE 3:** (Continued)

At March 31, 2004 the common and treasury stock consisted of 149,453,998 ordinary book entry shares with a face value of Pesos 1 each entitled to one vote per share, which were available in the market.

**NOTE 4: FUTURES**

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

**OPTIONS C.B.O.T. PURCHASE CALL CAMPAIGN 2003/2004**

| <u>Cereal</u> | <u>Tons</u> | <u>Average price</u><br>US\$ (1) | <u>Premium</u><br>US\$ (2) |
|---------------|-------------|----------------------------------|----------------------------|
| Corn          | 27,200      | 102.88                           | 127,928                    |

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

| <u>Cereal</u> | <u>Tons</u> | <u>Average price</u><br>US\$ (1) | <u>Premium</u><br>US\$ (2) |
|---------------|-------------|----------------------------------|----------------------------|
| Soybean       | 6,120       | 332.33                           | (26,735)                   |
| Corn          | 31,750      | 118.10                           | (149,992)                  |

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

| <u>Cereal</u> | <u>Tons</u> | <u>Average price</u><br>US\$ (1) | <u>Premium</u><br>US\$ (2) |
|---------------|-------------|----------------------------------|----------------------------|
| Soybean       | 5,000       | 233.32                           | 17,799                     |

**OPTIONS SELL PUT CAMPAIGN 2003/2004**

| <u>Cereal</u> | <u>Tons</u> | <u>Average price</u><br><u>US\$ (1)</u> | <u>Premium</u><br><u>US\$ (2)</u> |
|---------------|-------------|---|-----------------------------------|
| Soybean       | 1,500       | 227.33                                  | (9,150)                           |

**FUTURES C.B.O.T. CAMPAIGN 2003/2004**

| <u>Cereal</u>    | <u>Tons</u> | <u>Average price</u><br><u>US\$ (1)</u> | <u>Total amount</u><br><u>US\$ (2)</u> |
|------------------|-------------|---|--|
| Soybean-purchase | 14,552      | 274.85                                  | 399,617                                |
| Soybean-sell     | 12,240      | 340.07                                  | (4,162,457)                            |

**FUTURES CAMPAIGN 2003/2004**

| <u>Cereal</u> | <u>Tons</u> | <u>Average price</u><br><u>US\$ (1)</u> | <u>Total amount</u><br><u>US\$ (2)</u> |
|---------------|-------------|---|--|
| Corn-purchase | 6,100       | 89.72                                   | 547,292                                |
| Soybean-sell  | 2,700       | 250.02                                  | (675,054)                              |

Cresud Sociedad Anónima, Comercial,

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Notes to the Unaudited Financial Statements (Continued)

**NOTE 4:** (Continued)

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

**OPTIONS C.B.O.T. SELL CALL CAMPAIGN 2002/2003**

| <u>Cereal</u> | <u>Tons</u> | <u>Average price</u><br>US\$ (1) | <u>Premium</u><br>US\$ (2) |
|---------------|-------------|----------------------------------|----------------------------|
| Soybean       | 16,320      | 220.46                           | (75,457)                   |

**FUTURES CAMPAIGN 2002/2003**

| <u>Cereal</u> | <u>Tons</u> | <u>Average price</u><br>US\$ (1) | <u>Total amount</u><br>US\$ (2) |
|---------------|-------------|----------------------------------|---------------------------------|
| Corn-purchase | 2,000       | 78.16                            | 156,320                         |
| Soybean-sell  | 3,800       | 149.17                           | 566,846                         |
| Wheat-sell    | 500         | 117.04                           | 58,520                          |

**OPTIONS PURCHASE CALL CAMPAIGN 2002/2003**

| <u>Cereal</u> | <u>Tons</u> | <u>Average price</u><br>US\$ (1) | <u>Premium</u><br>US\$ (2) |
|---------------|-------------|----------------------------------|----------------------------|
| Corn          | 3,500       | 92.00                            | 9,695                      |

(1) Strike price without deducting expenses.

(2) Premiums paid (collected).

**NOTE 5: MANAGEMENT AGREEMENT**



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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

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 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.

The financial statements at March 31, 2004 include an accrual and charge for an amount of Ps. 1,138,846 for this concept.

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 6: INCOME TAX DEFERRED TAX**

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

- Deferred assets:

|                   | Cumulative<br>tax loss |            |           |           |
|-------------------|------------------------|------------|-----------|-----------|
|                   | carryforwards          | Provisions | other     | TOTAL     |
| Initial Balance   | 2,257,115              | (6,335)    | 250,802   | 2,501,582 |
| Charge to results | 108,446                | (9,658)    | (256,226) | (157,438) |
| Closing Balance   | 2,365,561              | (15,993)   | (5,424)   | 2,344,144 |

- Deferred liabilities:

|                   | Fixed Assets | Inventories  | Investments | Accrual     | TOTAL        |
|-------------------|--------------|--------------|-------------|-------------|--------------|
| Initial Balance   | (13,019,043) | (10,355,850) | (2,706)     | (1,001,793) | (24,379,392) |
| Charge to results | (669,851)    | (1,252,730)  | 2,258       | (1,174,619) | (3,094,942)  |
| Closing Balance   | (13,688,894) | (11,608,580) | (448)       | (2,176,412) | (27,474,334) |

Net liabilities at period-end as per the information included in the preceding tables amount to Ps. 25,130,190.

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:

| Description               | March 31, 2004 | March 31, 2003 |
|---------------------------|----------------|----------------|
| Income before income tax  | 16,692,862     | 64,229,656     |
| Tax rate                  | 35%            | 35%            |
| Net results at tax rates: | 5,842,502      | 22,480,380     |

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|  |                  |                  |
|--|------------------|------------------|
| Permanent differences at tax rate:     |                  |                  |
| Restatement into constant currency     | 904,270          | 7,174,158        |
| Penalties                              | 1,687            | 700              |
| Donations                              | (204,109)        | (102,183)        |
| Amortization FYO Goodwill              | 82,887           | 81,733           |
| Result from purchase and sale of stock | 1,085,871        |                  |
| Loss from related companies            | (1,168,585)      | (23,355,228)     |
| Miscellaneous permanent differences    | (101,265)        | 664,424          |
|  | <u>6,443,258</u> | <u>6,943,984</u> |

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 6:** (Continued)

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. 2,365,561 and may be offset against taxable income of future fiscal periods, as follows:

| <u>Origination year</u> | <u>Amount</u> | <u>Expiration Year</u> |
|-------------------------|---------------|------------------------|
| 2003                    | 2,323,540     | 2008                   |
| 2004                    | 33,521        | 2009                   |

**NOTE 7: TRANSACTIONS WITH SUBSIDIARIES LAW 19550 ARTICLE 33**

As of March 31, 2004 and 2003 the results with Subsidiaries Law 19,550 and related companies are as follows:

|  | <u>March 31,</u> | <u>March 31,</u> |
|--|------------------|------------------|
|  | <u>2004</u>      | <u>2003</u>      |
| <b>Inversiones Ganaderas S.A.</b>          |                  |                  |
| Miscellaneous income                       | 2,715            | 31,187           |
| Financial interest                         | (103,651)        | (76,814)         |
| Miscellaneous expenses                     | (654)            | (125,910)        |
| <b>Futuros y Opciones.Com S.A.</b>         |                  |                  |
| Administrative fees                        | 28,800           | 29,065           |
| Selling expenses                           | (19,918)         | (8,803)          |
| <b>Cactus Argentina S.A.</b>               |                  |                  |
| Administrative Services                    | 141,200          | 84,677           |
| Financial interest                         | 14,015           | 33,422           |
| Miscellaneous income                       | 171,819          | 23,604           |
| Livestock expenses                         | (5,151,655)      | (1,004,728)      |
| <b>Inversiones y Representaciones S.A.</b> |                  |                  |
| Financial interest                         |                  | 201,800          |
| Fees from sharing services                 | 212,823          |                  |

## 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**

|  | March 31, | June 30,   | March 31, |
|--|-----------|------------|-----------|
|  | 2004      | 2003       | 2003      |
|  | Pesos     | Pesos      | Pesos     |
|  | _____     | _____      | _____     |
| Cash   | 75,826    | 26,191     | 89,612    |
| Foreign currency (Schedule G)                  | 50,196    | 3,239,854  | 170,847   |
| Patacones currency                             | 37        |            | 430       |
| Lecop currency                                 |           |            | 235       |
| Local currency checking account                | 938,329   | 534,711    | 2,417,977 |
| Patacones currency checking account            | 22        | 171,891    | 28,862    |
| Lecop currency checking account                |           | 62,532     | 38,380    |
| Foreign currency checking account (Schedule G) | 8,628,564 | 12,370,530 | 3,124,664 |
| Local currency saving account                  | 13,794    | 6,181      | 6,254     |
| Checks to be deposited                         | 25,946    | 367,247    | 161,663   |
| Patacones checks to be deposited               |           | 25,783     |           |
|  | _____     | _____      | _____     |
|  | 9,732,714 | 16,804,920 | 6,038,924 |
|  | _____     | _____      | _____     |

**b. Investments and Goodwill**

|  | March 31,   | June 30,    | March 31,   |
|--|-------------|-------------|-------------|
|  | 2004        | 2003        | 2003        |
|  | Pesos       | Pesos       | Pesos       |
|  | _____       | _____       | _____       |
| <b>Investment</b>                              |             |             |             |
| Investment (Schedule C)                        | 7,555,974   | 5,459,835   | 30,317,596  |
|  | _____       | _____       | _____       |
|  | 7,555,974   | 5,459,835   | 30,317,596  |
|  | _____       | _____       | _____       |
| <b>Investment</b>                              |             |             |             |
| Investment from related companies (Schedule C) | 224,316,655 | 213,361,465 | 219,805,428 |
|  | _____       | _____       | _____       |
|  | 224,316,655 | 213,361,465 | 219,805,428 |
|  | _____       | _____       | _____       |

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|                                |                            |                            |                            |
|--------------------------------|----------------------------|----------------------------|----------------------------|
| <b>Other Investments</b>       |                            |                            |                            |
| Other Investments (Schedule C) | 142,858,179                | 139,160,243                | 143,135,657                |
|                                | <u>142,858,179</u>         | <u>139,160,243</u>         | <u>143,135,657</u>         |
|                                | <b><u>142,858,179</u></b>  | <b><u>139,160,243</u></b>  | <b><u>143,135,657</u></b>  |
| <b>Goodwill</b>                |                            |                            |                            |
| Goodwill (Schedule C)          | (20,193,637)               | (19,347,598)               | (18,605,099)               |
|                                | <u>(20,193,637)</u>        | <u>(19,347,598)</u>        | <u>(18,605,099)</u>        |
|                                | <b><u>(20,193,637)</u></b> | <b><u>(19,347,598)</u></b> | <b><u>(18,605,099)</u></b> |

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 8:** (Continued)

## c. Trade accounts receivable

|   | March 31,        | June 30,         | March 31,         |
|---|------------------|------------------|-------------------|
|   | 2004<br>Pesos    | 2003<br>Pesos    | 2003<br>Pesos     |
| <b>Current</b>  |                  |                  |                   |
| Accounts receivable in local currency                     | 3,982,317        | 4,627,834        | 2,930,736         |
| <b>Less:</b>  |                  |                  |                   |
| Provision for defaulting debtors (Schedule E)             | (359,661)        | (454,125)        | (610,510)         |
|   | <u>3,622,656</u> | <u>4,173,709</u> | <u>2,320,226</u>  |
| Accounts receivable in foreign currency (Schedule G)      | 42,300           | 2,011,421        | 9,019,855         |
| Subsidiaries and related companies Law 19,550 Article 33: |                  |                  |                   |
| Inversiones Ganaderas S.A.                                | 17,839           | 17,812           | 13,430            |
| Cactus Argentina S.A.                                     | 25,370           | 13,709           | 13,269            |
|   | <u>3,708,165</u> | <u>6,216,651</u> | <u>11,366,780</u> |

## d. Other receivables and prepaid expenses

|  | March 31,     | June 30,      | March 31,     |
|--|---------------|---------------|---------------|
|  | 2004<br>Pesos | 2003<br>Pesos | 2003<br>Pesos |
| <b>Current</b>   |               |               |               |
| Prepaid leases   | 598,390       | 1,894,560     | 63,580        |
| Guarantee deposits (Schedule G)                              | 4,040,763     | 682,027       | 790,419       |
| Secured by mortgage and under legal proceedings (Schedule G) | 992,804       | 531,602       | 514,250       |
| Prepaid expenses   | 353,576       | 864,244       | 344,868       |
| Surety bonds received  |               |               | 470,709       |
| Tax prepayments (net of provisions)                          | 6,215,683     | 91,391        | 112,550       |
| Subsidiaries and related companies Law 19,550 Article 33:    |               |               |               |
| Cactus Argentina S.A.  | 1,340,252     | 1,334,692     | 1,333,318     |
| Futuros y Opciones.Com S.A.                                  | 877,395       | 23,603        | 23,603        |
| Shareholders   | 455,583       | 455,583       |               |
| Other  | 386,387       | 255,260       | 307,047       |

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|                                    |                   |                   |                   |
|------------------------------------|-------------------|-------------------|-------------------|
|                                    | 15,260,833        | 6,132,962         | 3,960,344         |
|                                    | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Non-current</b>                 |                   |                   |                   |
| Secured by mortgage                |                   | 504,192           | 501,836           |
| Prepaid leases                     |                   |                   | 176,447           |
| Tax on Minimum Hypothetical Income | 17,154            |                   |                   |
|                                    | <u>          </u> | <u>          </u> | <u>          </u> |
|                                    | 17,154            | 504,192           | 678,283           |
|                                    | <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**

|                       | March 31,         | June 30,          | March 31,         |
|-----------------------|-------------------|-------------------|-------------------|
|                       | 2004<br>Pesos     | 2003<br>Pesos     | 2003<br>Pesos     |
| <b>Current</b>        |                   |                   |                   |
| Livestock             | 17,224,122        | 12,444,817        | 15,143,132        |
| Crops                 | 6,272,900         | 6,301,776         | 4,545,133         |
| Unharvested crops     | 8,515,388         | 1,112,230         | 6,769,137         |
| Seeds and fodder      | 282,521           | 165,355           | 1,935,787         |
| Materials and others  | 2,868,660         | 1,424,711         | 1,550,975         |
| Advances to suppliers | 1,021,393         | 637,802           | 1,312,916         |
|                       | <u>36,184,984</u> | <u>22,086,691</u> | <u>31,257,080</u> |
| <b>Non-Current</b>    |                   |                   |                   |
| Livestock             | 40,691,688        | 34,947,790        | 35,161,443        |
|                       | <u>40,691,688</u> | <u>34,947,790</u> | <u>35,161,443</u> |

**f. Trade accounts payables**

|   | March 31,     | June 30,      | March 31,     |
|---|---------------|---------------|---------------|
|   | 2004<br>Pesos | 2003<br>Pesos | 2003<br>Pesos |
| <b>Current</b>  |               |               |               |
| Suppliers in local currency                               | 5,207,890     | 3,733,066     | 3,553,862     |
| Suppliers in foreign currency (Schedule G)                | 1,060,960     | 436,439       | 9,222,930     |
| Subsidiaries and related companies Law 19,550 Article 33: |               |               |               |
| Cactus Argentina S.A.                                     | 445,657       | 156,512       | 94,030        |
| Futuros y Opciones.Com S.A. (Schedule G)                  | 845           |               |               |
| Accrual for other expenses (Schedule G)                   | 1,469,695     | 2,786,535     | 3,002,523     |
| Accrual for Directors Fees                                | 7,597         | 41,806        | 56,523        |
| Advances to Directors                                     | (5,628)       | (37,968)      | (36,740)      |
| Accrual for cereal expenses                               | 180,409       | 108,825       | 203,359       |
|   | <u></u>       | <u></u>       | <u></u>       |

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|           |           |            |
|-----------|-----------|------------|
| 8,367,425 | 7,225,215 | 16,096,487 |
|-----------|-----------|------------|

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 8:** (Continued)

## g. Loans

|   | March 31,<br>2004<br>Pesos | June 30,<br>2003<br>Pesos | March 31,<br>2003<br>Pesos |
|---|----------------------------|---------------------------|----------------------------|
| <b>Current</b>  |                            |                           |                            |
| Local financial loans (Note 2.f.)                       |                            |                           | 3,182,216                  |
| Convertible Bonds 2007 Interest payable<br>(Schedule G) | 3,829,413                  | 1,425,499                 | 4,519,521                  |
|   | <u>3,829,413</u>           | <u>1,425,499</u>          | <u>7,701,737</u>           |
| <b>Non-Current</b>                                      |                            |                           |                            |
| Convertible Bonds 2007 (Schedule G)                     | 123,973,793                | 139,450,965               | 148,451,430                |
| Convertible Bonds 2007 expenses                         | (1,848,310)                | (1,499,911)               | (1,598,693)                |
|   | <u>122,125,483</u>         | <u>137,951,054</u>        | <u>146,852,737</u>         |

## h. Salaries and social security payable

|  | March 31,<br>2004<br>Pesos | June 30,<br>2003<br>Pesos | March 31,<br>2003<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Current</b>                             |                            |                           |                            |
| Vacation, statutory annual bonus allowance | 626,576                    | 846,198                   | 217,299                    |
| Social security administration             | 116                        | 123,385                   | 79,111                     |
| Salaries payable                           | 94,048                     | 80,180                    | 275,179                    |
| Health care scheme                         | 5,169                      | 780                       | 1,440                      |
| Other                                      | 3,919                      | 1,902                     | 767                        |
|  | <u>729,828</u>             | <u>1,052,445</u>          | <u>573,796</u>             |

## Cresud Sociedad Anónima, Comercial,

## Inmobiliaria, Financiera y Agropecuaria

## Notes to the Unaudited Financial Statements (Continued)

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

|  | March 31,<br>2004 | June 30,<br>2003  | March 31,<br>2003 |
|--|-------------------|-------------------|-------------------|
|  | Pesos             | Pesos             | Pesos             |
| <b>Current</b>                                 |                   |                   |                   |
| Accrual for income tax                         | 2,979,125         | 6,099,825         | 3,854,729         |
| Advances to Income tax                         | (1,968,138)       | (4,669,379)       | (2,951,103)       |
| Tax on Minimum Hypothetical Income (Note 2.p.) | 17,154            |                   |                   |
| Value Added Tax                                |                   | 45,164            | (219,336)         |
| Property tax payable                           | 103,284           | 170,389           | 153,219           |
| Taxes withheld for income tax                  | 71,639            | 43,289            | 80,434            |
| Gross sales taxes                              | 146,566           | 149,468           | 29,730            |
| Taxes withheld-Gross sales taxes               | (74,005)          | (83,340)          | (110,604)         |
| Taxes withheld-Value Added Tax                 |                   | (134,693)         | (68,466)          |
| Others   | 1,193             | 148,824           |                   |
|  | <u>1,276,818</u>  | <u>1,769,547</u>  | <u>768,603</u>    |
| <b>Non-Current</b>                             |                   |                   |                   |
| Deferred tax                                   | <u>25,130,190</u> | <u>21,877,809</u> | <u>23,481,521</u> |
|  | <u>25,130,190</u> | <u>21,877,809</u> | <u>23,481,521</u> |

**j. Other debts**

|   | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 |
|---|-------------------|------------------|-------------------|
|   | Pesos             | Pesos            | Pesos             |
| <b>Current</b>  |                   |                  |                   |
| Accrual for Management fees (Note 5)                      | 1,138,846         | 3,204,773        | 4,914,864         |
| Subsidiaries and related companies Law 19,550 Article 33: |                   |                  |                   |
| Inversiones Ganaderas S.A.                                | 2,424,694         | 721,043          | 455,592           |
| Futuros y Opciones.Com S.A.                               |                   | 183,023          | 237,481           |

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|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
|   | 3,563,540         | 4,108,839         | 5,607,937         |
|   | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Non-current</b>  |                   |                   |                   |
| Subsidiaries and related companies Law 19,550 Article 33: |                   |                   |                   |
| Inversiones Ganadaras S.A.                                |                   |                   | 239,800           |
|   | <u>          </u> | <u>          </u> | <u>          </u> |
|   |                   |                   | 239,800           |
|   | <u>          </u> | <u>          </u> | <u>          </u> |

Cresud Sociedad Anónima, Comercial,

Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Financial Statements (Continued)

**NOTE 8:** (Continued)

**k. Financial results**

|  | March 31,<br>2004           | March 31,<br>2003           |
|--|-----------------------------|-----------------------------|
|  | Income                      | Income                      |
|  | (loss)                      | (loss)                      |
|  | Pesos                       | Pesos                       |
|  | <u>                    </u> | <u>                    </u> |
| Generated by assets:                               |                             |                             |
| Exchange differences and discounts                 | 4,550,455                   | (45,303,402)                |
| Interest Income                                    | 209,032                     | 715,542                     |
| Bad debts (Schedule E)                             | 94,464                      |                             |
| Reference stabilization index (CER)                | (302,116)                   | 489,131                     |
| Tax on debts and credits                           | (724,422)                   | (650,624)                   |
| Holding results                                    |                             | (2,640,590)                 |
| Holding results and operations of stocks and bonds |                             |                             |
| Convertible Bonds purchase interest                | 8,697,554                   | 4,357,055                   |
| Others   | 13,620                      | 121,733                     |
| Inflation adjustment                               |                             | (1,956,955)                 |
|  | <u>12,538,587</u>           | <u>(44,868,110)</u>         |
|  |                             |                             |
|  | March 31,<br>2004           | March 31,<br>2003           |
|  | Income                      | Income                      |
|  | (loss)                      | (loss)                      |
|  | Pesos                       | Pesos                       |
|  | <u>                    </u> | <u>                    </u> |
| Generated by liabilities:                          |                             |                             |
| Holding Results                                    |                             | 1,286,969                   |
| Inflation adjustment                               |                             | 2,379,126                   |
| Reference stabilization index (CER)                |                             | (473,717)                   |
| Financial expenses                                 |                             |                             |
| Convertible Bonds issued interest                  | (8,071,022)                 | (4,519,521)                 |
| Others   | (1,049,142)                 | (995,411)                   |
| Exchange differences and discounts                 | (3,206,303)                 | 30,239,912                  |

|  |                     |                   |
|--|---------------------|-------------------|
|  | <u>(12,326,467)</u> | <u>27,917,358</u> |
|--|---------------------|-------------------|

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

## Notes to the Unaudited Financial Statements (Continued)

**NOTE 9:****ASSETS AND LIABILITIES, CLASSIFIED ACCORDING TO THEIR COLLECTION OR PAYMENT MATURITIES****a) Based on their estimated collection or payment term (in pesos)**

| Based on their estimated<br>collection on payment term | Current and non-current investment |                    | Trade accounts receivable |                   |                  | Other receivables and prepaid<br>expenses |                   |                  |                   |
|--|------------------------------------|--------------------|---------------------------|-------------------|------------------|---|-------------------|------------------|-------------------|
|  | March 31,<br>2004                  | June 30,<br>2003   | March 31,<br>2003         | March 31,<br>2004 | June 30, 2003    | March 31,<br>2003                         | March 31,<br>2004 | June 30, 2003    | March 31,<br>2003 |
| 4th quarter 2003/2002 financial period                 |                                    |                    | 4,357,055                 |                   |                  | 11,366,780                                |                   |                  | 1,474,470         |
| 1st quarter 2004/2003 financial period                 |                                    | 1,422,315          |                           |                   | 6,216,651        |   |                   | 2,123,058        |                   |
| 2nd quarter 2004/2003 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 3rd quarter 2004/2003 financial period                 |                                    |                    |                           |                   |                  |   |                   | 504,192          | 501,836           |
| 4th quarter 2004/2003 financial period                 | 4,412,090                          |                    |                           | 3,708,165         |                  |   | 4,780,726         |                  |                   |
| 1st quarter 2005/2004 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 2nd quarter 2005/2004 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 3rd quarter 2005/2004 financial period                 |                                    |                    |                           |                   |                  |   | 992,804           | 504,192          | 501,836           |
| 4th quarter 2005/2004 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 1st quarter 2006/2005 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 2nd quarter 2006/2005 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 3rd quarter 2006/2005 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 4th quarter 2006/2005 financial period                 |                                    |                    |                           |                   |                  |   | 17,154            |                  |                   |
| 1st quarter 2007/2006 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 2nd quarter 2007/2006 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 3rd quarter 2007/2006 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 4th quarter 2007/2006 financial period                 |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| 2nd quarter 2008/2007 financial period                 | 142,837,462                        | 139,139,526        | 143,114,940               |                   |                  |   |                   |                  |                   |
| Overdue  |                                    |                    |                           |                   |                  |   |                   |                  |                   |
| With no stated current term                            | 3,143,884                          | 4,037,520          | 25,960,541                |                   |                  |   | 9,487,303         | 3,505,712        | 1,984,038         |
| With no stated non-current term                        | 20,717                             | 20,717             | 20,717                    |                   |                  |   |                   |                  | 176,447           |
| <b>Total</b>   | <b>150,414,153</b>                 | <b>144,620,078</b> | <b>173,453,253</b>        | <b>3,708,165</b>  | <b>6,216,651</b> | <b>11,366,780</b>                         | <b>15,277,987</b> | <b>6,637,154</b> | <b>4,638,627</b>  |

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

| Interest rate that they<br>accrue | Current and non-current investment | Trade accounts receivable | Other receivables and prepaid expenses |
|-----------------------------------|------------------------------------|---------------------------|--|
|                                   |                                    |                           |  |
|                                   |                                    |                           |  |



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|                           | March 31,<br>2004  | June 30, 2003      | March 31,<br>2003  | March 31,<br>2004 | June 30, 2003    | March 31,<br>2003 | March 31,<br>2004 | June 30, 2003    | March 31,<br>2003 |
|---------------------------|--------------------|--------------------|--------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
| At fixed interest rate    | 142,837,462        | 139,139,526        | 143,114,940        |                   |                  |                   | 992,804           | 1,304,932        | 1,299,846         |
| At variable interest rate | 3,143,884          | 4,037,520          | 25,960,541         |                   |                  |                   | 2,901,213         | 277,048          | 475,331           |
| Non-interest bearing      | 4,432,807          | 1,443,032          | 4,377,772          | 3,708,165         | 6,216,651        | 11,366,780        | 11,383,970        | 5,055,174        | 2,863,450         |
| <b>Total</b>              | <b>150,414,153</b> | <b>144,620,078</b> | <b>173,453,253</b> | <b>3,708,165</b>  | <b>6,216,651</b> | <b>11,366,780</b> | <b>15,277,987</b> | <b>6,637,154</b> | <b>4,638,627</b>  |

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Financial Statements (Continued)

**NOTE 9:**

**ASSETS AND LIABILITIES, CLASSIFIED ACCORDING TO THEIR COLLECTION OR PAYMENT MATURITIES**

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

| Estimated<br>payment term | Salaries and social    |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   | Other     |
|---------------------------|------------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-----------|
|                           | Trade accounts payable |                  |                   | Loans             |                  |                   | security payable  |                  |                   | Taxes payable     |                  |                   |           |
|                           | March 31,<br>2004      | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 |           |
| 02 financial period       |                        |                  | 16,096,487        |                   |                  | 7,701,737         |                   |                  | 573,796           |                   |                  | 768,603           |           |
| 03 financial period       |                        | 7,221,377        |                   |                   | 1,425,499        |                   |                   | 1,052,445        |                   |                   | 1,769,547        |                   | 3,563,540 |
| 03 financial period       |                        | 3,838            |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |           |
| 03 financial period       | 8,365,456              |                  |                   | 3,829,413         |                  | 729,828           |                   |                  | 1,276,818         |                   |                  |                   | 1,407,896 |
| 04 financial period       | 1,969                  |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   | 2,155,644 |
| 04 financial period       |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |           |
| 04 financial period       |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |           |
| 05 financial period       |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |           |
| 05 financial period       |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |           |
| 05 financial period       |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |           |
| 06 financial period       |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |           |
| 06 financial period       |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |           |
| 06 financial period       |                        |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |           |
| 07 financial period       |                        |                  | 122,125,483       | 137,951,054       | 146,852,737      |                   |                   |                  |                   |                   |                  |                   |           |
| Current term              |                        |                  |                   |                   |                  |                   |                   |                  | 25,130,190        | 21,877,809        | 23,481,521       |                   |           |
|                           | 8,367,425              | 7,225,215        | 16,096,487        | 125,954,896       | 139,376,553      | 154,554,474       | 729,828           | 1,052,445        | 573,796           | 26,407,008        | 23,647,356       | 24,250,124        | 3,563,540 |

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

|  | Trade accounts payable | Loans | Salaries and social<br>security payable | Taxes payable | Other deb |
|--|------------------------|-------|---|---------------|-----------|
|--|------------------------|-------|---|---------------|-----------|

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|               | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 | March 31,<br>2004 | June 30,<br>2003 |
|---------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| rest rate     |                   |                  |                   | 122,125,483       | 137,951,054      | 149,721,783       |                   |                  |                   |                   |                  |                   |                   |                  |
| interest rate |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |                   |                   |                  |
| bearing       | 8,367,425         | 7,225,215        | 16,096,487        | 3,829,413         | 1,425,499        | 4,832,691         | 729,828           | 1,052,445        | 573,796           | 26,407,008        | 23,647,356       | 24,250,124        | 3,563,540         | 4,108,839        |
|               | 8,367,425         | 7,225,215        | 16,096,487        | 125,954,896       | 139,376,553      | 154,554,474       | 729,828           | 1,052,445        | 573,796           | 26,407,008        | 23,647,356       | 24,250,124        | 3,563,540         | 4,108,839        |

**Cresud Sociedad Anónima, Comercial,**

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**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 Argentine Securities and Exchange Commission, 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 November 26, 2003 a title deed was signed for the farm El 41 y El 42, of 6478 hectares, located in the Department of Tapenagá, Province of Chaco. The price for the sale of the farm was of US\$ 971,912 (US Dollars nine hundred and seventy one thousand, nine hundred and twelve). This sale generated a gain of Ps. 1,085,345 (Pesos one million eighty five thousand and three hundred and forty five).

**NOTE 12: PURCHASE OF PROPERTIES**

On November 11, 2003 a commercial loan with Feria Jovita S.R.L. was canceled as the company received a 9-hectare farm located in Department Lavalle, Province of Mendoza, with a value amounting Ps. 25.600.

**NOTE 13: 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.

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

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 13:** (Continued)

During the previous fiscal year, 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 present fiscal period, an aggregate of 327,437 shares of Ps. 1 per value each were issued to directors and executive officers of the Company under the preferred offering of treasury stock.

After the closing of the fiscal year, an aggregate of 2,000 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 before mentioned, the remaining balance is 243,000 shares.

**NOTE 14: 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).
  
- 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.

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

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

**NOTE 14:** (Continued)

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 previous fiscal year, 196,084 Convertible Bonds were converted into 386,140 ordinary shares, which resulted in a Ps. 593,036 increase in the Company's net shareholders' equity.

During the present fiscal period, 6,456,436 Convertible Bonds were converted into 12,714,510 ordinary shares, which resulted in a Ps. 18,753,704 increase in the Company's net shareholders' equity. During the same period, 6,253,034 Warrants were exercised, resulting in the issuance of 12,313,956 ordinary shares for Ps. 21,893,975.

After the closing of the fiscal year, 214,111 Convertible Bonds were converted into 412,642 ordinary shares, which resulted in a Ps. 610,629 increase in the Company's net shareholders' equity.

**NOTE 15: 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.

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.



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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 July and November 2003, 250,500 convertible bonds issued by IRSA Inversiones y Representaciones Sociedad Anónima were purchased. As a result of such transactions at March 31, 2004, the company owned 49,943,168 convertible bonds.

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Fixed Assets

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

(Notes 1 and 2)

## Schedule A

| Principal Account              | Value at           |                   |                  |                    | Depreciation |                         |                  |                  |                   | Net carrying       | Net carrying       | Net carrying       |
|--------------------------------|--------------------|-------------------|------------------|--------------------|--------------|-------------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|
|                                | the                |                   |                  |                    |              |                         |                  | Accumulated      | value at          | value at           | value at           |                    |
|                                | beginning          | Additions         | Deductions       | Value at           |              |                         |                  | at the           | March             | June               | March              |                    |
|                                | of the             | and/or            | and/or           | the end of         | Rate %       | Accumulated             | Decrease         | Current          | end of            | March              | June               | March              |
| period                         | transfers          | transfers         | period           |                    | at the       | of the                  | period           | period           | 31, 2004          | 30, 2003           | 31, 2003           |                    |
|                                | Pesos              | Pesos             | Pesos            | Pesos              |              | beginning of the period | period           | Amount           | Pesos             | Pesos              | Pesos              | Pesos              |
| Real estate                    | 119,775,001        | 31,537            | 1,789,353        | 118,017,185        |              |                         |                  |                  |                   | 118,017,185        | 119,775,002        | 97,125,488         |
| Wire fences                    | 4,410,079          | 1,260             |                  | 4,411,339          | 3            | 943,523                 |                  | 94,542           | 1,038,065         | 3,373,274          | 3,466,556          | 3,479,036          |
| Watering troughs               | 3,103,575          |                   |                  | 3,103,575          | 5            | 735,540                 |                  | 118,803          | 854,343           | 2,249,232          | 2,368,035          | 2,407,630          |
| Alfalfa fields and meadows     | 2,875,715          | 336,084           | 1,581,013        | 1,630,786          | 12-25-50     | 2,085,096               | 1,393,201        | 305,201          | 997,096           | 633,690            | 790,619            | 603,788            |
| Buildings and constructions    | 5,329,283          | 7,980             |                  | 5,337,263          | 2            | 1,975,341               |                  | 64,707           | 2,040,048         | 3,297,215          | 3,353,942          | 3,595,407          |
| Machinery                      | 8,971,683          | 50,369            | 552,338          | 8,469,714          | 10           | 5,463,054               | 426,253          | 579,194          | 5,615,995         | 2,853,719          | 3,508,629          | 3,949,188          |
| Vehicles                       | 1,084,985          | 241,653           | 104,423          | 1,222,215          | 20           | 663,631                 | 95,482           | 156,448          | 724,597           | 497,618            | 421,354            | 364,809            |
| Tools                          | 192,159            | 10,785            | 5,916            | 197,028            | 10           | 120,936                 | 3,932            | 11,270           | 128,274           | 68,754             | 71,223             | 72,277             |
| Furniture and equipment        | 1,050,606          | 84,375            | 20,741           | 1,114,240          | 10           | 681,878                 | 4,148            | 65,776           | 743,506           | 370,734            | 368,728            | 384,803            |
| Breeding livestock             | 251,843            |                   | 251,843          |                    | 20           | 251,843                 | 251,843          |                  |                   |                    |                    | 439,000            |
| Corral and leading lanes       | 580,737            | 14,933            |                  | 595,670            | 3            | 93,353                  |                  | 13,520           | 106,873           | 488,797            | 487,384            | 470,099            |
| Roads                          | 1,267,137          |                   |                  | 1,267,137          | 10           | 661,729                 |                  | 86,356           | 748,085           | 519,052            | 605,407            | 627,977            |
| Facilities                     | 5,979,400          | 296,759           |                  | 6,276,159          | 10-20-33     | 2,859,924               |                  | 492,994          | 3,352,918         | 2,923,241          | 3,119,476          | 3,033,014          |
| Computer equipment             | 1,096,046          | 65,011            | 5,702            | 1,155,355          | 20           | 854,119                 | 5,702            | 77,901           | 926,318           | 229,037            | 241,927            | 145,666            |
| Planes                         | 10,444             |                   |                  | 10,444             | 10           | 10,444                  |                  |                  | 10,444            |                    |                    |                    |
| Silo plants                    | 1,166,215          |                   |                  | 1,166,215          | 5            | 252,572                 |                  | 47,197           | 299,769           | 866,446            | 913,643            | 818,366            |
| Constructions in progress      | 2,308,012          | 5,706,918         |                  | 8,014,930          |              |                         |                  |                  |                   | 8,014,930          | 2,308,012          | 3,509,600          |
| Advances to suppliers          | 82,445             | 1,928,464         |                  | 2,010,909          |              |                         |                  |                  |                   | 2,010,909          | 82,445             | 170,299            |
| <b>Total at March 31, 2004</b> | <b>159,535,365</b> | <b>8,776,128</b>  | <b>4,311,329</b> | <b>164,000,164</b> |              | <b>17,652,983</b>       | <b>2,180,561</b> | <b>2,113,909</b> | <b>17,586,331</b> | <b>146,413,833</b> |                    |                    |
| <b>Total at June 30, 2003</b>  | <b>138,095,370</b> | <b>31,158,834</b> | <b>9,718,839</b> | <b>159,535,365</b> |              | <b>16,687,124</b>       | <b>1,879,028</b> | <b>2,844,887</b> | <b>17,652,983</b> |                    | <b>141,882,382</b> |                    |
| <b>Total at March 31, 2003</b> | <b>138,099,018</b> | <b>1,866,202</b>  | <b>1,604,254</b> | <b>138,360,966</b> |              | <b>16,687,124</b>       | <b>1,116,463</b> | <b>2,032,436</b> | <b>17,603,097</b> |                    |                    | <b>120,757,869</b> |

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

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

(Notes 1 and 2)

**Schedule C**

**INFORMATION ON THE ISSUER**

| Type and characteristics of the securities | Amount  | Value at                |               |                         | Market value | Latest financial statements |         |                              |                     |
|--|---------|-------------------------|---------------|-------------------------|--------------|-----------------------------|---------|------------------------------|---------------------|
|  |         | Value at March 31, 2004 | June 30, 2003 | Value at March 31, 2003 |              | Principal activity          | Capital | Income (loss) for the period | Shareholders Equity |
|  |         | Pesos                   | Pesos         | Pesos                   |              |                             | Pesos   | pesos                        | Pesos               |
| <b>Current Investments</b>                 |         |                         |               |                         |              |                             |         |                              |                     |
| Mutual Funds                               |         |                         |               |                         |              |                             |         |                              |                     |
| ABN AMRO in pesos                          |         |                         | 2,888,061     |                         |              |                             |         |                              |                     |
| Deutsche Dollar Fund                       |         |                         |               | 24,494,713              |              |                             |         |                              |                     |
| ABN AMRO in dollars                        |         |                         |               | 295,966                 |              |                             |         |                              |                     |
| Fondo especial Banco Rio in pesos          |         |                         | 1,042,426     |                         |              |                             |         |                              |                     |
| Fondo plazo fijo Banco Rio in dollars      | 1,778   | 4,030                   | 3,940         | 3,903                   | 2.267098     |                             |         |                              |                     |
|  |         | 4,030                   | 3,934,427     | 24,794,582              |              |                             |         |                              |                     |
| <b>Notes and Convertible Bonds</b>         |         |                         |               |                         |              |                             |         |                              |                     |
| Interest of Convertible Bonds 2007         |         |                         |               |                         |              |                             |         |                              |                     |
| -IRSA                                      |         | 4,412,090               | 1,422,315     | 4,357,055               |              |                             |         |                              |                     |
| Bonos Global 2010                          | 110,000 | 99,264                  | 102,463       | 79,200                  | 0.902400     |                             |         |                              |                     |
| Bocon Pro 1                                | 157,647 | 630                     | 630           | 630                     | 0.003996     |                             |         |                              |                     |
| Tax credit certificates                    |         |                         |               | 6,129                   |              |                             |         |                              |                     |
|  |         | 4,511,984               | 1,525,408     | 4,443,014               |              |                             |         |                              |                     |
| <b>Deposits in local banks</b>             |         |                         |               |                         |              |                             |         |                              |                     |
|  |         |                         |               | 1,080,000               |              |                             |         |                              |                     |
|  |         |                         |               | 1,080,000               |              |                             |         |                              |                     |
| <b>Deposits in foreign banks</b>           |         |                         |               |                         |              |                             |         |                              |                     |
|  |         | 3,039,960               |               |                         |              |                             |         |                              |                     |
|  |         | 3,039,960               |               |                         |              |                             |         |                              |                     |

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|   |            |                    |                    |                    |          |  |             |            |             |
|---|------------|--------------------|--------------------|--------------------|----------|--|-------------|------------|-------------|
| Total current investments                                 |            | 7,555,974          | 5,459,835          | 30,317,596         |          |  |             |            |             |
| <b>Non-current investments</b>                            |            |                    |                    |                    |          |  |             |            |             |
| <b>Related companies Law 19,550.</b>                      |            |                    |                    |                    |          |  |             |            |             |
| <b>Article 33</b>   |            |                    |                    |                    |          |  |             |            |             |
| <b>AGRO-URANGA S.A.</b>                                   |            |                    |                    |                    |          |  |             |            |             |
|   |            |                    |                    |                    | unlisted | Agricultural and livestock   | 2,500,000   | 5,096,482  | 15,561,863  |
| Shares  | 893,069    | 5,425,695          | 4,971,181          | 5,411,499          |          |  |             |            |             |
| Contribution on account of future subscriptions of shares | Nominative | 7,865              | 7,865              | 7,865              |          |  |             |            |             |
| Higher value of property                                  |            | 11,179,150         | 11,179,150         | 11,179,150         |          |  |             |            |             |
|   |            | <u>16,612,710</u>  | <u>16,158,196</u>  | <u>16,598,514</u>  |          |  |             |            |             |
| <b>INVERSIONES GANADERAS S.A.</b>                         |            |                    |                    |                    |          |  |             |            |             |
|   |            |                    |                    |                    | unlisted | Raising and grazing cattle   | 5,326,589   | 302,982    | 10,860,647  |
| Shares  | 5,326,588  | 10,131,038         | 9,828,057          | 9,829,356          |          |  |             |            |             |
| Contribution on account of future subscriptions of shares | Nominative | 729,585            | 729,585            | 729,585            |          |  |             |            |             |
|   |            | <u>10,860,623</u>  | <u>10,557,642</u>  | <u>10,558,941</u>  |          |  |             |            |             |
| <b>CACTUS ARGENTINA S. A.</b>                             |            |                    |                    |                    |          |  |             |            |             |
|   |            |                    |                    |                    | unlisted | Exploitation and administration of agricultural and beef cattle products                           | 1,300,000   | 641,477    | 6,397,024   |
| Shares  | 650,000    | 1,062,894          | 742,155            | 778,026            |          |  |             |            |             |
| Contribution on account of future subscriptions of shares |            | 2,135,618          | 2,135,618          | 2,135,618          |          |  |             |            |             |
|   |            | <u>3,198,512</u>   | <u>2,877,773</u>   | <u>2,913,644</u>   |          |  |             |            |             |
| <b>FUTUROS Y OPCIONES.COM S.A.</b>                        |            |                    |                    |                    |          |  |             |            |             |
|   |            |                    |                    |                    | unlisted | Gives information about markets and services of economic and financial consulting through internet | 12,000      | (530,304)  | 158,651     |
| Shares  | 8,400      | (2,615,738)        | (2,244,525)        | (2,133,295)        |          |  |             |            |             |
| Contribution on account of future subscriptions of shares |            | 2,726,793          | 2,726,793          | 2,726,793          |          |  |             |            |             |
|   |            | <u>111,055</u>     | <u>482,268</u>     | <u>593,498</u>     |          |  |             |            |             |
| <b>IRSA Inversions y Representaciones S.A.</b>            |            |                    |                    |                    |          |  |             |            |             |
| Shares  | 51,228,120 | 193,533,755        | 183,285,586        | 189,140,831        | listed   | Real state   | 238,253,538 | 45,233,089 | 900,093,565 |
|   |            | <u>193,533,755</u> | <u>183,285,586</u> | <u>189,140,831</u> |          |  |             |            |             |
|   | Subtotal   | <u>224,316,655</u> | <u>213,361,465</u> | <u>219,805,428</u> |          |  |             |            |             |
| <b>Other Investments</b>                                  |            |                    |                    |                    |          |  |             |            |             |
| Convertible Bonds 2007 -IRSA                              | 49,943,168 | 142,837,462        | 139,139,526        | 143,114,940        |          |  |             |            |             |
| Coprolán  | Nominative | 20,717             | 20,717             | 20,717             | unlisted |  |             |            |             |
|   | Subtotal   | <u>142,858,179</u> | <u>139,160,243</u> | <u>143,135,657</u> |          |  |             |            |             |

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|                               | _____        | _____        | _____        |
|-------------------------------|--------------|--------------|--------------|
| <b>Goodwill</b>               |              |              |              |
| Goodwill                      | 824,595      | 1,319,353    | 1,484,273    |
| IRSA negative goodwill        | (21,018,232) | (20,666,951) | (20,089,372) |
|                               | _____        | _____        | _____        |
| Subtotal                      | (20,193,637) | (19,347,598) | (18,605,099) |
|                               | _____        | _____        | _____        |
| Total non-current investments | 346,981,197  | 333,174,110  | 344,335,986  |
|                               | _____        | _____        | _____        |

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

Corresponding to the periods beginning as from July 1, 2003 and ended on March 31, 2004

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

(Notes 1 and 2)

**Schedule E**

| Item                        | Opening balances | Increases | Deductions<br>(1) | Inflation<br>adjustment | Value at          | Value at         | Value at          |
|-----------------------------|------------------|-----------|-------------------|-------------------------|-------------------|------------------|-------------------|
|                             |                  |           |                   |                         | March 31,<br>2004 | June 30,<br>2003 | March 31,<br>2003 |
|                             | Pesos            | Pesos     | Pesos             | Pesos                   | Pesos             | Pesos            | Pesos             |
| <b>Deducted from assets</b> |                  |           |                   |                         |                   |                  |                   |
| Defaulting debtors          | 454,125          |           | (94,464)          |                         | 359,661           | 454,125          | 610,510           |
| Total at March 31, 2004     | 454,125          |           | (94,464)          |                         | 359,661           |                  |                   |
| Total at June 30, 2003      | 774,854          | 50,000    | (286,146)         | (84,583)                |                   | 454,125          |                   |
| Total at March 31, 2003     | 774,854          |           | (79,996)          | (84,348)                |                   |                  | 610,510           |

(1) The accounting appropriation is included in Note 8.k.

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Cost of sales

Corresponding to the periods beginning as from July 1, 2003 and 2002

and ended on March 31, 2004 and 2003

(Notes 1 and 2)

## Schedule F

|                                       | Crops          |                | Beef cattle    |                | Milk           |                | Others         |                | Total          |                |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                       | March 31, 2004 | March 31, 2003 | March 31, 2004 | March 31, 2003 | March 31, 2004 | March 31, 2003 | March 31, 2004 | March 31, 2003 | March 31, 2004 | March 31, 2003 |
|                                       | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          | Pesos          |
| <b>At the beginning of the period</b> |                |                |                |                |                |                |                |                |                |                |
|                                       |                |                | 45,097,923     | 32,889,218     | 2,294,684      | 1,467,561      |                |                | 47,392,607     | 34,356,779     |
|                                       | 6,301,776      | 25,222,406     |                |                |                |                |                |                | 6,301,776      | 25,222,406     |
| Crops                                 | 1,112,230      | 835,288        |                |                |                |                |                |                | 1,112,230      | 835,288        |
| Order                                 |                |                | 106,386        | 287,423        | 58,969         | 115,435        |                |                | 165,355        | 402,858        |
|                                       | 1,222,255      | 2,749,377      |                |                | 33,362         | 51,732         | 169,094        | 170,588        | 1,424,711      | 2,971,697      |
|                                       | 8,636,261      | 28,807,071     | 45,204,309     | 33,176,641     | 2,387,015      | 1,634,728      | 169,094        | 170,588        | 56,396,679     |                |
| Assets                                |                |                | 1,404,317      | 1,001,055      | 388,308        | 580,049        |                |                | 1,792,625      |                |
| Market results                        | (2,132,913)    | (1,019,649)    |                |                |                |                |                |                | (2,132,913)    |                |
| Inventories to expenses               | (164,529)      | (93,181)       |                |                |                |                |                |                | (164,529)      |                |
| Inventories to fixed assets           | (220,039)      | (94,143)       |                |                |                |                | (1,390)        | (1,194)        | (221,429)      |                |
| Unharvested crops to expenses         | (5,847,565)    | (8,045,390)    | (260,344)      | (334,275)      | (260,405)      | (151,687)      | (421,992)      | (345,260)      | (6,790,306)    |                |
| Inventories                           |                |                | 184,161        | 253,456        | (184,161)      | (253,456)      |                |                |                |                |
|                                       | 15,879,887     | 14,062,444     | 10,418,901     | 2,135,036      | 827,041        | 5,725          | 417,755        | 392,320        | 27,543,584     |                |
| Expenses (Schedule H)                 | 7,866,780      | 11,287,278     | 10,151,708     | 4,844,849      | 1,295,561      | 1,078,529      | 86             |                | 19,314,135     |                |
| <b>At the end of the period</b>       |                |                |                |                |                |                |                |                |                |                |
|                                       |                |                | (53,894,558)   | (48,538,515)   | (4,021,252)    | (1,766,060)    |                |                | (57,915,810)   | (50,304,575)   |
|                                       | (6,272,900)    | (4,545,133)    |                |                |                |                |                |                | (6,272,900)    | (4,545,133)    |
| Crops                                 | (8,515,388)    | (6,769,137)    |                |                |                |                |                |                | (8,515,388)    | (6,769,137)    |
| Order                                 |                | (1,759,000)    | (189,957)      | (134,763)      | (92,564)       | (42,024)       |                |                | (282,521)      | (1,935,787)    |
|                                       | (2,664,094)    | (1,313,237)    |                |                | (41,814)       | (34,360)       | (162,752)      | (203,378)      | (2,868,660)    | (1,550,975)    |
|                                       | 6,565,500      | 30,517,923     | 13,018,537     | 2,403,484      | 297,729        | 1,051,444      | 801            | 13,076         | 19,882,567     |                |

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Foreign currency assets and liabilities

Corresponding to the periods beginning as from July 1, 2003 and ended on March 31, 2004

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

(Notes 1 and 2)

## Schedule G

| Item                                      | March 31, 2004                      |                             |                                | June 30, 2003                       |                                | March 31, 2003                      |                                |
|---|-------------------------------------|-----------------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|
|   | Type and amount of foreign currency | Current exchange rate Pesos | Amount in local currency Pesos | Type and amount of foreign currency | Amount in local currency Pesos | Type and amount of foreign currency | Amount in local currency Pesos |
| <b>Current Asset</b>                      |                                     |                             |                                |                                     |                                |                                     |                                |
| Cash and banks                            | US\$ 3,077,574                      | 2.82                        | 8,678,760                      | US\$ 5,781,624                      | 15,610,384                     | US\$ 1,144,275                      | 3,295,511                      |
| Investments:                              |                                     |                             |                                |                                     |                                |                                     |                                |
| Mutual funds                              | US\$ 1,429                          | 2.82                        | 4,030                          | US\$ 1,459                          | 3,940                          | US\$ 8,609,230                      | 24,794,582                     |
| Convertible Bonds 2007 - IRSA             | US\$ 1,542,689                      | 2.86                        | 4,412,090                      | US\$ 507,970                        | 1,422,315                      | US\$ 1,512,866                      | 4,357,055                      |
| Interest of Convertible Bonds 2007 - IRSA | US\$ 1,078,000                      | 2.82                        | 3,039,960                      | US\$                                |                                | US\$                                |                                |
| Trade accounts receivable                 |                                     |                             |                                |                                     |                                |                                     |                                |
| Accounts receivable                       | US\$ 15,000                         | 2.82                        | 42,300                         | US\$ 744,971                        | 2,011,421                      | US\$ 3,131,894                      | 9,019,855                      |
| Other receivables and prepaid expenses:   |                                     |                             |                                |                                     |                                |                                     |                                |
| Secured by mortgages                      | US\$ 352,058                        | 2.82                        | 992,804                        | US\$                                |                                | US\$                                |                                |
| Guarantee deposits                        | US\$ 1,432,895                      | 2.82                        | 4,040,763                      | US\$ 252,603                        | 682,027                        | US\$ 274,451                        | 790,419                        |
| Investments:                              |                                     |                             |                                |                                     |                                |                                     |                                |
| Convertible Bonds 2007 - IRSA             | US\$ 49,943,168                     | 2.86                        | 142,837,462                    | US\$ 49,692,688                     | 139,139,526                    | US\$ 49,692,688                     | 143,114,940                    |
| <b>Total Asset</b>                        | <b>US\$ 57,442,813</b>              |                             | <b>164,048,169</b>             | <b>US\$ 56,981,315</b>              | <b>158,869,613</b>             | <b>US\$ 64,365,404</b>              | <b>185,372,362</b>             |
| <b>Current liabilities</b>                |                                     |                             |                                |                                     |                                |                                     |                                |
| Trade accounts payable:                   |                                     |                             |                                |                                     |                                |                                     |                                |
| Suppliers                                 | US\$ 370,965                        | 2.86                        | 1,060,960                      | US\$ 155,871                        | 436,439                        | US\$ 3,094,943                      | 9,222,930                      |
| Accrual for other expenses                | US\$ 153,420                        | 2.86                        | 438,782                        | US\$ 168,608                        | 472,102                        | US\$ 335,515                        | 999,834                        |
| Loans:                                    |                                     |                             |                                |                                     |                                |                                     |                                |
| Intereses ON Convertibles 2007            | US\$ 1,338,956                      | 2.86                        | 3,829,413                      | US\$ 509,107                        | 1,425,499                      | US\$ 1,516,618                      | 4,519,521                      |
| <b>Non-current liabilities</b>            |                                     |                             |                                |                                     |                                |                                     |                                |
| Loans:                                    |                                     |                             |                                |                                     |                                |                                     |                                |
| Convertible Bonds 2007                    | US\$ 43,347,480                     | 2.86                        | 123,973,793                    | US\$ 49,803,916                     | 139,450,965                    | US\$ 49,815,916                     | 148,451,430                    |
| <b>Total Liabilities</b>                  | <b>US\$ 45,210,821</b>              |                             | <b>129,302,948</b>             | <b>US\$ 50,637,502</b>              | <b>141,785,005</b>             | <b>US\$ 54,762,992</b>              | <b>163,193,715</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, 2003 and 2002

and ended on March 31, 2004 and 2003

(Notes 1 and 2)

## Schedule H

| Items                              | Total             | Operating Expenses |                   |                   |                  |           | Expenses         |                  | Total             |
|------------------------------------|-------------------|--------------------|-------------------|-------------------|------------------|-----------|------------------|------------------|-------------------|
|                                    | March 31,<br>2004 | Total              | Crops             | Beef cattle       | Milk             | Others    | Selling          | Administrative   | March 31,<br>2003 |
|                                    | Pesos             | Pesos              | Pesos             | Pesos             | Pesos            | Pesos     | Pesos            | Pesos            | Pesos             |
| Directors fees                     | 7,597             |                    |                   |                   |                  |           |                  | 7,597            | 56,435            |
| Fees and payments for services     | 897,575           | 293,272            | 131,072           | 156,500           | 5,700            |           |                  | 604,303          | 768,918           |
| Salaries and wages                 | 4,444,595         | 1,738,556          | 461,853           | 1,058,937         | 217,766          |           |                  | 2,706,039        | 2,667,081         |
| Social security contributions      | 581,453           | 268,025            | 119,828           | 134,517           | 13,680           |           |                  | 313,428          | 474,437           |
| Taxes, rates and contributions     | 307,221           | 280,694            | 119,024           | 141,659           | 19,925           | 86        | 1,080            | 25,447           | 222,197           |
| Gross sales taxes                  | 393,920           |                    |                   |                   |                  |           | 393,920          |                  | 422,336           |
| Office and administrative expenses | 178,088           |                    |                   |                   |                  |           |                  | 178,088          | 206,905           |
| Bank commissions and expenses      | 8,997             | 8,997              | 4,566             | 4,190             | 241              |           |                  |                  | 11,891            |
| Depreciation of fixed assets       | 2,113,909         | 1,930,607          | 1,036,213         | 722,996           | 171,398          |           |                  | 183,302          | 2,032,436         |
| Vehicle and travelling expenses    | 346,631           | 233,022            | 106,156           | 115,656           | 11,210           |           |                  | 113,609          | 275,133           |
| Spare parts and repairs            | 766,610           | 766,610            | 384,129           | 318,272           | 64,209           |           |                  |                  | 510,632           |
| Insurance                          | 237,658           | 26,829             | 12,484            | 13,392            | 953              |           |                  | 210,829          | 266,977           |
| Employees maintenance              | 111,558           | 94,289             | 26,127            | 64,164            | 3,998            |           |                  | 17,269           | 105,478           |
| Livestock expenses                 | 8,003,114         | 7,072,307          |                   | 7,072,307         |                  |           | 930,807          |                  | 3,239,544         |
| Dairy farm expenses                | 776,075           | 776,075            |                   |                   | 776,075          |           |                  |                  | 725,408           |
| Agricultural expenses              | 6,893,041         | 5,223,552          | 5,223,552         |                   |                  |           | 1,669,489        |                  | 10,723,504        |
| Silo expenses                      | 233,522           | 233,522            | 233,522           |                   |                  |           |                  |                  | 198,347           |
| General expenses                   | 367,778           | 367,778            | 8,254             | 349,118           | 10,406           |           |                  |                  | 242,461           |
| <b>Total at March 31, 2004</b>     | <b>26,669,342</b> | <b>19,314,135</b>  | <b>7,866,780</b>  | <b>10,151,708</b> | <b>1,295,561</b> | <b>86</b> | <b>2,995,296</b> | <b>4,359,911</b> |                   |
| <b>Total at March 31, 2003</b>     |                   | <b>17,210,656</b>  | <b>11,287,278</b> | <b>4,844,849</b>  | <b>1,078,529</b> |           | <b>3,169,876</b> | <b>2,769,588</b> | <b>23,150,120</b> |

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria

Additional Information to the Notes to the Unaudited Financial Statements

for the period ended March 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 March 31, 2004.

|         | Other<br>Receivables<br><br>Pesos | Intercompany Article 33 Law       |                                   |
|---------|-----------------------------------|-----------------------------------|-----------------------------------|
|         |                                   | 19,550                            |                                   |
|         |                                   | FYO                               | CACTUS                            |
|         |                                   | Other<br>Receivables<br><br>Pesos | Other<br>Receivables<br><br>Pesos |
| Current | 7,269,656                         | 877,395                           | 1,340,252                         |

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

| Trade<br>Accounts<br>Receivable<br><br>Pesos | Intercompany<br>Article 33 Law 19,550 |        | Other<br>Receivables<br><br>Pesos | Intercompany<br>Article 33 Law<br>19,550 |  |
|--|---------------------------------------|--------|-----------------------------------|--|--|
|  | IGSA                                  | CACTUS |                                   | CACTUS                                   |  |
|  |                                       |        |                                   |  |  |
|  |                                       |        |                                   |  |  |

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|          |           | Trade<br>Accounts<br>Receivable<br>Pesos | Trade<br>Accounts<br>Receivable<br>Pesos | Other<br>Receivables<br>Pesos |
|----------|-----------|--|--|-------------------------------|
|          |           | <u>          </u>                        | <u>          </u>                        | <u>          </u>             |
| 06.30.04 |           |  |  |                               |
| 03.31.05 | 3,664,956 | 17,839                                   | 25,370                                   | 4,780,726                     |
|          |           |  |  | 992,804                       |
| 06.30.06 |           |  |  | 17,154                        |

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

a. There are no past due debts at March 31, 2004.

b. Debts without a due date at March 31, 2004 amount to Ps. 25,130,190 correspond to  
Deferred Tax.

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

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

(Continued)

c. Debts to fall due at March 31, 2004

|                  | Accounts Payable | Intercompany |             | Loans       | Salaries and Social Security Charges | Tax Payable | Other Debts | Intercompany Article 33 Law 19,550 |      |
|------------------|------------------|--------------|-------------|-------------|--------------------------------------|-------------|-------------|------------------------------------|------|
|                  |                  | Article 33   |             |             |                                      |             |             |                                    | IGSA |
|                  |                  | Law 19,550   |             |             |                                      |             |             |                                    |      |
|                  |                  | CACTUS       | FYO         |             |                                      |             |             |                                    |      |
| Accounts Payable | Accounts Payable | Loans        | Tax Payable | Other Debts | Other Debts                          |             |             |                                    |      |
| Pesos            | Pesos            | Pesos        | Pesos       | Pesos       | Pesos                                | Pesos       | Pesos       |                                    |      |
| 06.30.04         |                  |              |             |             |                                      |             |             |                                    |      |
| 12.31.04         | 7,918,954        | 445,657      | 845         | 3,829,413   | 729,828                              | 1,276,818   | 1,138,846   | 269,050                            |      |
|                  | 1,969            |              |             |             |                                      |             |             | 2,155,644                          |      |
| 12.31.07         |                  |              |             | 122,125,483 |                                      |             |             |                                    |      |

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

a.

|               | Intercompany              |                           |                   | Intercompany          |                   |                   |
|---------------|---------------------------|---------------------------|-------------------|-----------------------|-------------------|-------------------|
|               | Article 33 Law 19,550     |                           |                   | Article 33 Law 19,550 |                   |                   |
|               | IGSA                      | CACTUS                    | Other Receivables | CACTUS                | FYO               | Other Receivables |
|               | Trade Accounts Receivable | Trade Accounts Receivable |                   | Other Receivables     | Other Receivables |                   |
| Pesos         | Pesos                     | Pesos                     | Pesos             | Pesos                 | Pesos             |                   |
| In pesos      |                           |                           |                   |                       |                   |                   |
|               | 3,622,656                 | 17,839                    | 25,370            | 8,026,773             | 1,340,252         | 877,395           |
| In US Dollars | 42,300                    |                           |                   | 5,033,567             |                   |                   |

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

c.

|   | Intercompany                    |                                 |                      | Intercompany          |                      |                      |
|---|---------------------------------|---------------------------------|----------------------|-----------------------|----------------------|----------------------|
|   | Article 33 Law 19,550           |                                 |                      | Article 33 Law 19,550 |                      |                      |
|   | IGSA                            | CACTUS                          | Other<br>Receivables | CACTUS                | FYO                  | Other<br>Receivables |
|   | Trade<br>Accounts<br>Receivable | Trade<br>Accounts<br>Receivable |                      | Other<br>Receivables  | Other<br>Receivables |                      |
| Pesos                                       | Pesos                           | Pesos                           | Pesos                | Pesos                 | Pesos                |                      |
| Outstanding balances accruing interests     |                                 |                                 | 3,894,017            |                       |                      |                      |
| Outstanding Balances not accruing interests | 3,664,956                       | 17,839                          | 25,370               | 9,166,323             | 1,340,252            | 877,395              |

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

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

(Continued)

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

a.

|               | Accounts Payable Pesos | Intercompany Article 33 Law 19,5550 |     | Loans Pesos | Salaries and Social Security Charges Pesos | Taxes Payable Pesos | Other Debts Pesos | Intercompany Article 33 Law 19,550 |
|---------------|------------------------|-------------------------------------|-----|-------------|--|---------------------|-------------------|------------------------------------|
|               |                        | CACTUS                              | FYO |             |  |                     |                   | IGSA                               |
|               |                        | Accounts Payable                    |     |             |  |                     |                   | Other Debts Pesos                  |
| In pesos      | 6,421,181              | 445,657                             | 845 | (1,848,310) | 729,828                                    | 26,407,008          | 1,138,846         | 2,424,694                          |
| In US Dollars | 1,499,742              |                                     |     | 127,803,206 |  |                     |                   |                                    |

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

c.

| Accounts Payable Pesos | Intercompany Article 33 Law 19,550 |     | Loans Pesos | Salaries and Social Security Charges Pesos | Taxes Payable Pesos | Other Debts Pesos | Intercompany Article 33 Law 19,550 |
|------------------------|------------------------------------|-----|-------------|--|---------------------|-------------------|------------------------------------|
|                        | CACTUS                             | FYO |             |  |                     |                   | IGSA                               |
|                        | Accounts Payable                   |     |             |  |                     |                   | Other Debts Pesos                  |
|                        |                                    |     |             |  |                     |                   |                                    |

122,125,483

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|   |           |         |     |           |         |            |           |           |
|---|-----------|---------|-----|-----------|---------|------------|-----------|-----------|
| Outstanding debts<br>accruing Interests     |           |         |     |           |         |            |           |           |
| Outstanding debts not<br>accruing interests | 7,920,923 | 445,657 | 845 | 3,829,413 | 729,828 | 26,407,008 | 1,138,846 | 2,424,694 |

**7. INTEREST IN OTHER COMPANIES (Article 33 LAW 19,550)**

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

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

At March 31, 2004 there were advance payments to directors for Ps. 5,628, and there were no receivables due from or loans to syndics and relatives up to and including second degree, of directors and syndics.



**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

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

**(Continued)**

**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.

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 Article 31 of Law 19,550.

**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.

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

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

(Continued)

**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><br>Pesos | <u>Account Value</u><br>Pesos |
|--|---|--------------------------------|-------------------------------|
| Buildings, machinery and silos             | Fire  | 1,050,000                      | 7,017,380                     |
| Vehicles                                   | Theft, fire and civil and third parties liability | 3,871,010                      | 497,618                       |
| Furniture, office and electronic equipment | Theft, fire and technical insurance               | 3,000,000                      | 599,771                       |

**16. PROVISIONS**

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

**17. CONTINGENCIES**

At March 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.

**20. LIMITATIONS OF PROFIT DISTRIBUTIONS**

See Note 10 to the Unaudited Financial statements.

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**UNAUDITED BUSINESS HIGHLIGHTS**

**Net income for the nine-month period ended on March 31, 2004, showed a net gain of Ps. 10.2 million (US\$ 3.6 million)** as compared to a Ps. 57.3 million (US\$ 19.2 million) gain recorded during the same period of the previous fiscal year.

The decrease in net income is a consequence of lower gains from our interest in IRSA Inversiones y Representaciones S.A. and lower results derived from the holding of cattle stock, which had benefited from increases in cattle prices during the same period of the previous fiscal year.

**Consolidated net sales for the period** amounted to Ps. 39.7 million (US\$ 13.9 million), 22.9% lower than those recorded during the same period last year, mainly due to the lower volume of crop sales. It should be noted that in 2003 a large portion of the stock of crops at the beginning of the year belonged to the production of the 2002 campaign.

**Gross profit** during the nine-month period ended on March 31, 2004 amounted to Ps. 18.1 million (US\$ 6.3 million), 14.0% higher than for the same period of the previous year. The increase was mainly due to a higher gross profit from the crop sales, followed by milk sales, offset by a lower profit from the livestock segment.

**Operating income** for the nine-month period amounted to Ps. 14.0 million (US\$ 4.9 million), as compared to Ps. 22.4 million (US\$ 7.5 million) recorded in the same period last year. This decrease was mainly due to the lower results derived from the holding of cattle stock, which accounted for a Ps. 12.6 million (US\$ 4.2 million) profit in the previous period as compared to Ps. 1.9 million (US\$ 0.7 million) recorded during this period.

**Results from related companies** generated a gain of Ps. 3.4 million (US\$ 1.2 million), mainly due to our 21.5% stake in IRSA Inversiones y Representaciones S.A., as compared to Ps. 66.8 million (US\$ 22.4 million) recorded during the previous period.

Eduardo Sergio Elsztain

Chairman

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**UNAUDITED BUSINESS HIGHLIGHTS (Continued)**

**Summary of operations**

**Macroeconomic environment**

Commodity prices continued to show an excellent performance in the first quarter of 2004. In Rosario, corn quotes ranged from Ps. 227 (US\$ 79.4) to Ps. 265 (US\$ 92.7) per ton, strongly influenced by the 18-year record lows in international stocks. In turn, short soybean harvests in the United States, Brazil and Argentina regarding the expectations resulted in high volatility and good prices for this crop, which traded from Ps. 633 (US\$ 221.3) to Ps. 718 (US\$ 251.0) per ton in Rosario. The high fluctuation in soybean production estimations was motivated, inter alia, by the development of marginal areas throughout the world, which are more sensitive to weather conditions. There is still little certainty about projected yields, leading to uneven results. However, demand for this oil crop from China, its main importer, remains firm.

In the livestock market, the creation of the BRIC group (Brazil, Russia, India and China) raises good expectations of exports to those countries (in particular the last three). Increase in their per capita income, coupled with the predictable substitution of consumption for beef leads to the belief that a strong increase in demand might follow. Besides, after the conflict in the United States and Canada regarding the new cases of bovine spongiform encephalopathy (BSE, mad cow disease) new markets could be opened up to Argentine producers, although so far the most favored producers have been Australia and New Zealand.

In turn, at domestic level the entry of Cargill in the livestock business through its acquisition of 50% of Finexcor, one of the largest Argentine meat packers, shows the interest displayed by the most important industry players worldwide. Argentina seems to have recovered from the last outbreak of the foot-and-mouth disease occurred in the Northern region of Salta last September, generating good trade prospects in the short term (in particular with Chile and the United States). On the other hand, the spread of agriculture into livestock regions leads to a reduction in cattle production, and as consumer levels have remained steady, the price of steers in the first quarter of 2004 was pushed up by approximately 12%.

During the first quarter of 2004, President Kirchner consolidated his first year in office thanks to good economic performance and high popularity levels. Although an energy crisis is foreseeable in the short term, the international context continues to have a positive effect on Argentina. The strong growth in US and worldwide economy, interest rates at historical lows and the excellent price of commodities have led to a 9.5% interannual growth in GDP during the first quarter of 2004, completing eight quarters of economic recovery.

Eduardo Sergio Elsztain

Chairman

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**UNAUDITED BUSINESS HIGHLIGHTS (Continued)**

**Crops**

The crop business generated a gross profit of Ps. 10.5 million (US\$ 3.7 million), as compared to a Ps. 7.4 million (US\$ 2.5 million) profit recorded in the same period of the previous fiscal year.

Crop sales for the period amounted to Ps. 17.1 million (US\$ 6.0 million), as compared to Ps. 37.9 million (US\$ 12.7 million) in the same period of the previous year. This decrease was due to the lower volume of crop sales during the current year, which totaled 38,938 tons as compared to 88,499 tons in the previous campaign. It should be noted that most crop stock sold during last year corresponded to the production of the 2002 campaign.

Gross margin from the sale of crops for the current campaign was 61.6% of sales, as compared to 19.5% recorded last year. This improvement was due to an increase in cereal prices during this year and the income from leases of own lands to third parties, which amounted to Ps. 2.1 million (US\$ 0.7 million), and which raise profit margins as they do not require any expenditures.

As of this date, we concluded the sunflower harvest, with a sowed area of 1,839 hectares and a yield of 1.6 tons per hectare, as compared to 1.2 tons per hectare during the previous campaign.

The remaining crops are in a very good condition. As of May we had harvested 30% of the soybean campaign and 59% of the corn campaign with highly favorable yields. Total sowed area is 9,523 hectares for soybean and 5,297 hectares for corn.

Our crop stock as of March 31, 2004 totaled 17,522 tons, 10,482 of which correspond to corn, 4,417 to wheat and 2,460 to sunflower.

**Source: Bloomberg - Chicago Market**

Eduardo Sergio Elsztain  
Chairman

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**UNAUDITED BUSINESS HIGHLIGHTS (Continued)**

**Source: Bloomberg - Chicago Market**

**Beef Cattle**

Livestock sales increased 70.0% from Ps. 11.4 million (US\$ 3.8 million) as of March 31, 2003, to Ps. 19.4 million (US\$ 6.8 million) as of March 31, 2004, mainly due to a higher volume of sales. During the nine-month period 10,461 tons were sold at an average price of Ps. 1.85 (US\$ 0.65) per kilogram, while during the same period of fiscal year 2003 sales had totaled 6,124 tons at an average price of Ps. 1.86 (US\$ 0.62) per kilogram.

Gross profit from the beef cattle segment amounted to Ps. 5.6 million (US\$ 2.0 million), as compared to Ps. 8.3 million (US\$ 2.8 million) recorded in the same period last year. The decrease in profit margins was due to the fact that most cattle was finished in our Feed Lot, where costs are higher, though generating an increase in production due to higher cattle rotation and shorter fattening periods.

As of March 31, 2004, the Company's cattle stock amounted to 95,578 heads with 126,105 hectares designated for this activity.

Livestock prices during this quarter continued having a favorable impact on the value of our stock, resulting in an income of Ps. 1.9 million (US\$ 0.7 million) for the period.

Eduardo Sergio Elsztain  
Chairman



**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**UNAUDITED BUSINESS HIGHLIGHTS (Continued)**

Production prospects in the industry are positive at both international and domestic levels. During this quarter beef production in the domestic market remained stable despite certain changes caused mainly by the rise and drop of prices and also due to the development of agriculture in historically livestock areas. On the other hand, the worldwide scenario is also favorable. As export restrictions on Argentina after the last outbreak of foot-and-mouth disease have almost ended, large markets, such as the American, are expected to reopen soon. In this scenario, Argentina would have significant advantages given the price gap currently existing in that market. This circumstance, apart from the fact that Argentina is a BSE-free country, translates into a potential improvement in its international positioning, with good expectations of rises in livestock products.

**Milk**

Gross profit from milk sales continues showing excellent results. In the nine-month period ended on March 31, 2004, it increased 265% to Ps. 2.2 million (US\$ 0.8 million) as compared to Ps. 0.6 million (US\$ 0.2 million) for the same period of the previous year. This increase was mainly due to the increase in production and a rise in prices, which increased from an average of Ps. 0.363 (US\$ 0.122) per liter in the nine-month period ended on March 31, 2003 to Ps. 0.476 (US\$ 0.166) during the current year. In addition, operating costs were favored by the result from the purchase of heifers, which is discounted therefrom.

Sales for the period were 5.3 million liters as compared to 4.6 million liters during the previous year.

Eduardo Sergio Elsztain  
Chairman

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**UNAUDITED BUSINESS HIGHLIGHTS (Continued)**

Currently the Company's only dairy farm is located at La Juanita, where the feeding system is mainly based on pastures. As this feeding system generates lower costs, it provides higher milk margins than crop feeding systems.

The milk business in Argentina went through severe fluctuations during the course of time, from the euphoria of 1997 and 1998 to the 2001 crisis. At present, with attractive prices, this segment is highly profitable for the Company.

**Clearing and development of marginal land**

We believe that the potential for this sector lies in the development of marginal land areas, as has been the case in various countries around the world. Due to the current technology, we can obtain similar yields and a higher profitability compared to central areas.

Following this strategy, during this quarter we completed the clearing of 4,000 hectares in our Los Pozos farm in the Province of Salta intended for cattle production, which were sown with Gatton Panic.

During the quarter we also completed the sowing of an experimental agriculture plot of 1,000 hectares in that farm, of which 300 hectares were sown with soybean, 350 with corn and 350 with sorghum. We intend to use the proceeds of corn and sorghum crops for the fattening of young bulls in that plot. If this test turns out to be successful, it could be used to meet the demand for cattle feed in the Argentine northeastern region. Our Los Pozos property has 260,000 hectares, 14,000 of which are being used for cattle production with returns above those recorded by the rest of our farms and the industry average; therefore, we continue to invest in that farm to increase production.

Additionally, during this quarter we completed the clearing of 1,185 hectares in our AgroRiego San Luis farm, located in the province of San Luis, for irrigation agriculture of which 363 hectares have been sown.

**Feed Lot**

During the quarter, our 170-hectare Feed Lot located in the province of San Luis, in which the Company holds a 50% equity interest through Cactus Argentina S.A., continued to show a very good performance.

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The homogeneity of feed lot final products has provided a high quality product for purchasers, turning marketing easier and allowing us to obtain higher sale prices. Furthermore, the constant increase in agricultural activity over traditional livestock areas has resulted in an increasing number of producers using feed lot services for cattle fattening.

Eduardo Sergio Elsztain  
Chairman

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**UNAUDITED BUSINESS HIGHLIGHTS (Continued)**

During the last three months, occupancy of our feed lot decreased slightly due to seasonal factors, since certain droughts in the feed lots surrounding areas have caused producers to anticipate the delivery of heads for fattening during the months of December and January.

During the nine-month period ended on March 31, 2004, Cactus Argentina S.A. recorded a net income of Ps. 17.6 million (US\$ 6.2 million), a 44% increase compared to the same period last year.

Eduardo Sergio Elsztain  
Chairman

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## UNAUDITED BUSINESS HIGHLIGHTS (Continued)

## Principal indicators for the nine-month period ended

March 31, 2004 and 2003

|  | 9 months as of | 9 months as of |             |
|--|----------------|----------------|-------------|
|  | March 31, 2004 | March 31, 2003 | %           |
| <b>Sales Volume</b>                      |                |                |             |
| Wheat (tons)                             | 12,476         | 13,110         | -5%         |
| Corn (tons)                              | 15,136         | 45,017         | -66%        |
| Sunflower (tons)                         | 681            | 3,791          | -82%        |
| Soybean (tons)                           | 10,610         | 26,541         | -60%        |
| Others (tons)                            | 34             | 40             | -16%        |
| <b>Total crops (tons)</b>                | <b>38,938</b>  | <b>88,499</b>  | <b>-56%</b> |
| Beef Cattle (tons)                       | 10,461         | 6,124          | 71%         |
| Milk (Thousand of liters)                | 5,280          | 4,562          | 16%         |
| <b>Production</b>                        |                |                |             |
| Wheat (Tons)                             | 16,707         | 9,397          | 78%         |
| Corn (Tons)                              | 7,988          | 14,053         | -43%        |
| Sunflower (Tons)                         | 3,009          | 2,904          | 4%          |
| Soybean (Tons)                           | 993            | 4,911          | -80%        |
| Beef Cattle (Tons)                       | 8,449          | 7,477          | 13%         |
| Milk (Thousand of liters)                | 5,280          | 4,562          | 16%         |
| <b>Area under Development (hectares)</b> |                |                |             |
| Crops                                    |                |                |             |
| Owned Farms                              | 12,312         | 10,010         | 23%         |
| Leased Farms                             | 9,755          | 13,628         | -28%        |
| Beef-cattle                              |                |                |             |
| Owned Farms                              | 126,105        | 135,257        | -7%         |
| Diary Farm                               |                |                |             |
| Owned Farms                              | 820            | 820            | 0%          |
| <b>Land Reserve (hectares)</b>           | <b>266,916</b> | <b>272,030</b> | <b>-2%</b>  |
| <b>Area under Irrigation (hectares)</b>  | <b>2,841</b>   | <b>2,814</b>   | <b>1%</b>   |
| <b>Storage Facilities (tons)</b>         | <b>18,360</b>  | <b>21,860</b>  | <b>-16%</b> |
| <b>Head of Beef Cattle</b>               | <b>98,977</b>  | <b>88,229</b>  | <b>12%</b>  |
| <b>Dairy Stock (head of cattle)</b>      | <b>3,399</b>   | <b>2,400</b>   | <b>42%</b>  |
| <b>Milk Cows (head of cattle)</b>        | <b>1,229</b>   | <b>1,297</b>   | <b>-5%</b>  |

Internet

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Fyo.com, the Internet site in which the Company holds a 70% equity interest, continues to strengthen its position as leading agriculture website through the expansion of its commercial services to the farming community. During the period, Fyo launched the direct sale of inputs and crop brokerage, which have become its main source of revenues.

Eduardo Sergio Elsztain

Chairman

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**UNAUDITED BUSINESS HIGHLIGHTS (Continued)**

Furthermore, during the last quarter an agreement with the consignee Malabe was signed for real time sale of cattle.

At present, Futuros y Opciones.com S.A. has a database of 35,000 users and more than 5,000 farmers authorized to carry out deals. Our strategy is focused on providing commercial services for farmers, capitalizing on Cresud's expertise and operating capacity in the business, using FyO as the link with clients.

During the nine-month period ended on March 31, 2004, Futuros y Opciones.com S.A. recorded a gain of Ps. 0.6 million (US\$ 0.2 million), a 71% increase compared to the same period last year. Net income for the nine-month period showed a loss of Ps. 0.5 million (US\$ 0.2 million).

**Result recorded by IRSA Inversiones y Representaciones S.A. (NYSE: IRS BCBA: IRSA)**

IRSA's result showed a Ps. 45.2 million (US\$ 15.8 million) gain as compared to a Ps. 265.9 million (US\$ 89.2 million) gain in the same period of the previous year.

This result was mainly due to the effect of financial results. While in the first nine months of fiscal year 2003 financial results amounted to Ps. 278.6 million (US\$ 93.5 million), for the same period of fiscal year 2004 they amounted to only Ps. 50.0 million (US\$ 17.5 million). The decrease was mainly originated in exchange differences, as the significant 22% appreciation of the peso against the Dollar during the nine-month period of 2003 resulted in positive net exchange differences of Ps. 192.9 million (US\$ 64.7 million), while the 2% depreciation of the peso occurred in the same period of 2004 generated negative net exchange differences of Ps. 0.3 million (US\$ 0.1 million).

Although IRSA's results amounted to Ps. 45.2 million (US\$ 15.8 million), we only recognized a Ps. 1.9 million (US\$ 0.7 million) profit in our results. Taking into account that as of March 31, 2004 our stake in the company was 21.50%, we should have recorded approximately a Ps. 12.2 million (US\$ 4.3 million) profit, including the effect of goodwill amortization. This difference was due to the conversion of convertible bonds and the exercise of warrants in IRSA, which increased IRSA's capital stock by 26,240,734 shares and diluted our holdings, which decreased from 24.16% to 21.50%, generating an accounting loss of Ps. 10.3 million (US\$ 3.6 million).

In addition to our equity interest in IRSA, CRESUD owns convertible bonds convertible into shares issued by IRSA for US\$ 49.9 million, and warrants for an equivalent amount. If all the holders (including us) exercised the warrants and conversion rights, CRESUD would become holder of 40.5% of IRSA's stock, in which case the above mentioned dilution would be reversed.

Eduardo Sergio Elsztain





**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**UNAUDITED BUSINESS HIGHLIGHTS (Continued)**

Currently, our equity interest in IRSA is accounted through the proportional equity value method. Therefore, the dilution effect does not only affect our participation in results, but also affects Cresud's investment in IRSA.

IRSA's operating results grew significantly, from Ps. 18.1 million (US\$ 6.1 million) in the previous year to Ps. 33.1 million (US\$ 11.6 million) during the first nine months of fiscal year 2004.

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 84,000 m<sup>2</sup> for lease.

Operation of **Shopping Centers** through its 53.7% equity interest in Alto Palermo S.A. (APSA) (Nasdaq: APSA, BCBA: APSA). APSA is one of the leading operators of shopping centers in Argentina and owns or has majority interest in 7 shopping centers with 145,207 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.

Furthermore, IRSA owns land reserves for **future developments** valued at Ps. 318.5 million (US\$ 111.3 million).

IRSA's total assets amount to Ps. 2,095.4 million (US\$ 732.7 million) and its net worth totals Ps. 900.1 million (US\$ 314.7 million).

**Other relevant highlights**

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

At present, our debt under convertible bonds was reduced by US\$ 6,866,631 as a consequence of the exercise of conversion rights.

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In addition, on March 31, 2004 warrant holders exercised 768,112 options, resulting in an inflow of US\$ 0.9 million in the Company.

In this way, considering all conversions and exercise of warrants, the number of outstanding Convertible Notes has reached US\$ 43,133,369 while the number of outstanding warrants amounts to 43,746,966. 25,836,248 shares were issued, increasing the Company's total number of outstanding shares to 150,120,640.

Eduardo Sergio Elsztain  
Chairman

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## UNAUDITED BUSINESS HIGHLIGHTS (Continued)

It should be noted that since the Company holds Convertible Bonds issued by IRSA for a total 49.9 million, which bear interest at the same rate as those issued by us, as from the next payment of interest, on May 14, 2004, funds to be collected from our holding in IRSA will exceed those required to cover payment of our Convertible Bonds.

|   |   |
|---|---|
| Convertible Bonds issued  | <b>US\$ 50,000,000</b>                  |
| Warrants issued (units)   | <b>50,000,000</b>                       |
| Issue date  | <b>November 2002</b>                    |
| Maturity date   | <b>November 2007</b>                    |
| Governing law   | <b>New York</b>                         |
| Coupon (payable half-yearly)  | <b>8%</b>                               |
| Conversion price (per share of Ps. 1.00 par value)                              | <b>US\$ 0.5078</b>                      |
| Conversion ratio  |   |
| (shares of Ps. 1.00 par value for each Convertible Bond of US\$ 1.00 par value) | <b>1.9693 shares</b>                    |
| Warrant exercise price (per share of Ps. 1.00 par value)                        | <b>US\$ 0.6093</b>                      |
| Outstanding Convertible Bonds (as of March 31, 2004)                            | <b>US\$ 43,347,480</b>                  |
| Outstanding Warrants (units) (as of March 31, 2004)                             | <b>43,746,966</b>                       |
| Outstanding shares upon issuance  | <b>124,284,392 (Ps. 1.00 par value)</b> |
| Outstanding shares plus treasury stock (as of March 31, 2004)                   | <b>149,698,998 (Ps. 1.00 par value)</b> |
| Outstanding shares Fully Diluted plus treasury stock <sup>(1)</sup>             | <b>321,212,283 (Ps. 1.00 par value)</b> |
| Convertible Bond yield from issue date <sup>(2)</sup>                           | <b>148.23%</b>                          |
| Warrant yield from issue date <sup>(2)</sup>                                    | <b>128.24%</b>                          |
| Total yield from issue date <sup>(2)</sup>                                      | <b>276.47%</b>                          |

<sup>(1)</sup> Fully Diluted refers to the hypothetical situation in which all holders of Convertible Bonds exercise their right to convert them into common shares of the Company

<sup>(2)</sup> Yield in dollars. Supposes the conversion of Convertible Bonds and/or exercise of warrants, whether the case, and the sale of shares purchased at a price of Ps. 3.60 per share of Ps. 1.00 par value corresponding to the price period-end of the Buenos Aires Stock Exchange on March 31, 2004. The official rate used for this operation was Ps. 2,856 per US\$.

## Appointment of new CFO

In April 2004, Gabriel Blasi was appointed Chief Financial Officer (CFO) of the Company. The new executive has wide professional experience in financial areas, having managed agricultural and livestock, financial and retail companies.

Eduardo Sergio Elsztain  
Chairman

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**UNAUDITED BUSINESS HIGHLIGHTS (Continued)**

**Prospects for the coming quarter**

The outlook for the coming quarter is very promising; since the price of commodities keeps stable, we expect an increase in profit margins. Additionally, the outlook for our soybean and corn harvests, in progress, are also very positive. We expect to complete them during the next period.

We are evaluating several investment projects, which we hope will be carried out during the current year.

Eduardo Sergio Elsgtain

Chairman

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## UNAUDITED BUSINESS HIGHLIGHTS (continued)

## Comparative Shareholders Equity Structure

|                          | At March 31,<br>2004 | At March 31,<br>2003 | At March 31,<br>2002 | At March 31,<br>2001 | At March 31,<br>2000 |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                          | Pesos                | Pesos                | Pesos                | Pesos                | Pesos                |
| Current Assets           | 73,118,656           | 84,476,645           | 74,731,418           | 164,562,876          | 125,441,953          |
| Non Current Assets       | 532,624,737          | 500,180,546          | 331,209,895          | 264,749,635          | 271,887,609          |
| <b>Total Assets</b>      | <b>605,743,393</b>   | <b>584,657,191</b>   | <b>405,941,313</b>   | <b>429,312,511</b>   | <b>397,329,562</b>   |
| Current Liabilities      | 15,756,585           | 30,705,310           | 56,246,667           | 38,475,369           | 12,739,995           |
| Non Current Liabilities  | 148,415,344          | 171,145,814          | 12,457,922           | 531,997              |                      |
| <b>Total Liabilities</b> | <b>164,171,929</b>   | <b>201,851,124</b>   | <b>68,704,589</b>    | <b>39,007,366</b>    | <b>12,739,995</b>    |
| Minority Interest        | 47,619               | 254,380              | 278,238              | 74,584               | 6                    |
| Shareholders Equity      | 441,523,845          | 382,551,687          | 336,958,486          | 390,230,561          | 384,589,561          |
|                          | <b>605,743,393</b>   | <b>584,657,191</b>   | <b>405,941,313</b>   | <b>429,312,511</b>   | <b>397,329,562</b>   |

## Comparative Income Structure

|                         | At March 31,<br>2004 | At March<br>31,<br>2003 | At March<br>31,<br>2002 | At March 31,<br>2001 | At March 31,<br>2000 |
|-------------------------|----------------------|-------------------------|-------------------------|----------------------|----------------------|
|                         | Pesos                | Pesos                   | Pesos                   | Pesos                | Pesos                |
| Operating income (loss) | 14,063,655           | 22,393,077              | (836,255)               | 7,090,547            | (7,138,021)          |

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|  |             |              |              |             |           |
|--|-------------|--------------|--------------|-------------|-----------|
| Financial and holding results                                | 289,248     | (17,049,636) | (46,792,459) | 1,119,558   | 6,618,756 |
| Other income and expenses and results from related companies | 3,711,569   | 64,360,938   | (428,106)    | (518,233)   | (273,415) |
| Management fees  | (1,138,846) | (4,887,308)  |              | (501,082)   |           |
| Operating net income (loss)                                  | 16,925,626  | 64,817,071   | (48,056,820) | 7,190,790   | (792,680) |
| Income tax   | (6,835,113) | (7,707,775)  | (1,386,034)  | (2,922,265) | (189,836) |
| Minority interest  | 159,091     | 176,376      | 255,489      | 241,210     |           |
| Net income (loss)  | 10,249,604  | 57,285,672   | (49,187,365) | 4,509,735   | (982,516) |

Production volume

|                          | 3Q March<br>31, 2004 | Accumulated<br>July 1, 2003 to<br>March 31,<br>2004 | 3Q March<br>31, 2003 | Accumulated<br>July 1, 2002 to<br>March 31,<br>2003 | 3Q March<br>31, 2002 | Accumulated<br>July 1, 2001 to<br>March 31,<br>2002 | 3Q March<br>31, 2001 | Accumulated<br>July 1, 2000 to<br>March 31,<br>2001 | 3Q March<br>31, 2000 | Accumulated<br>July 1, 1999 to<br>March 31,<br>2000 |
|--------------------------|----------------------|---|----------------------|---|----------------------|---|----------------------|---|----------------------|---|
| Beef Cattle<br>(in Kgs)  | 3,366,027            | 8,449,184   | 2,313,874            | 7,396,699   | 4,276,399            | 9,523,084   | 2,902,618            | 10,105,624  | 2,957,099            | 10,511,848  |
| Butyraceous<br>(in Kgs ) | 49,984               | 185,179   | 44,113               | 157,801   | 36,763               | 189,825   | 52,825               | 185,891   | 76,007               | 312,848   |
| Crops (in<br>quintals)*  | 185,386              | 325,436   | 274,577              | 349,321   | 321,151              | 532,285   | 245,270              | 429,180   | 376,072              | 616,922   |

\* One quintals equals one hundred kilograms

Eduardo Sergio Elsztain  
Chairman

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## UNAUDITED BUSINESS HIGHLIGHTS (continued)

## Sales volume

|                        | 3Q March 31,<br>2004 | Accumulated<br>July 1, 2003<br>to March 31,<br>2004 | 3Q March 31,<br>2003 | Accumulated<br>July 1, 2002<br>to March 31,<br>2003 | 3Q March 31,<br>2002 | Accumulated<br>July 1, 2001<br>to March 31,<br>2002 | 3Q March 31,<br>2001 | Accumulated<br>July 1, 2000<br>to March 31,<br>2001 | 3Q March 31,<br>2000 | Accumulated<br>July 1, 1999<br>to March 31,<br>2000 |
|------------------------|----------------------|---|----------------------|---|----------------------|---|----------------------|---|----------------------|---|
| Beef Cattle (in Kgs. ) | 4,044,719            | 10,460,922  | 2,084,327            | 6,124,110   | 3,429,495            | 12,961,021  | 3,695,465            | 12,214,597  | 6,239,553            | 14,143,145  |
| Butyraceous (in Kgs. ) | 49,984               | 185,179   | 44,113               | 157,801   | 36,763               | 189,825   | 52,825               | 185,891   | 76,007               | 312,848   |
| Crops (in quintals)*   | 154,306              | 389,377   | 173,570              | 884,990   | 330,730              | 837,519   | 212,989              | 1,215,758   | 102,897              | 804,953   |

\* One quintals equals one hundred kilograms

## Local Market

|                        | 3Q March 31,<br>2004 | Accumulated<br>July 1, 2003<br>to March 31,<br>2004 | 3Q March 31,<br>2003 | Accumulated<br>July 1, 2002<br>to March 31,<br>2003 | 3Q March 31,<br>2002 | Accumulated<br>July 1, 2001<br>to March 31,<br>2002 | 3Q March 31,<br>2001 | Accumulated<br>July 1, 2000<br>to March 31,<br>2001 | 3Q March 31,<br>2000 | Accumulated<br>July 1, 1999<br>to March 31,<br>2000 |
|------------------------|----------------------|---|----------------------|---|----------------------|---|----------------------|---|----------------------|---|
| Beef Cattle (in Kgs. ) | 4,044,719            | 10,460,922  | 2,084,327            | 6,124,110   | 3,429,495            | 12,961,021  | 3,695,465            | 12,214,597  | 6,239,553            | 14,143,145  |
| Butyraceous (in Kgs.)  | 49,984               | 185,179   | 44,113               | 157,801   | 36,763               | 189,825   | 52,825               | 185,891   | 76,007               | 312,848   |
| Crops (in quintals)*   | 154,306              | 389,377   | 173,570              | 884,990   | 330,730              | 837,519   | 212,989              | 1,215,758   | 102,897              | 793,157   |

\* One quintals equals one hundred kilograms

## Exports

| 3Q March 31,<br>2004 | Accumulated<br>July 1, 2003<br>to March 31,<br>2004 | 3Q March 31,<br>2003 | Accumulated<br>July 1, 2002<br>to March 31,<br>2003 | 3Q March 31,<br>2002 | Accumulated<br>July 1, 2001<br>to March 31,<br>2002 | 3Q March 31,<br>2001 | Accumulated<br>July 1, 2000<br>to March 31,<br>2001 | 3Q March 31,<br>2000 | Accumulated<br>July 1, 1999<br>to March 31,<br>2000 |
|----------------------|---|----------------------|---|----------------------|---|----------------------|---|----------------------|---|
|----------------------|---|----------------------|---|----------------------|---|----------------------|---|----------------------|---|

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|                        |        |
|------------------------|--------|
| Beef Cattle (in Kgs.)  |        |
| Butyraceous (in Kgs. ) |        |
| Crops (in quintals)*   | 11,796 |

\* One quintals equals one hundred kilograms

**Ratios**

|                  | <u>At March 31,</u><br><u>2004 Pesos</u> | <u>At March 31,</u><br><u>2003 Pesos</u> | <u>At March 31,</u><br><u>2002 Pesos</u> | <u>At March 31,</u><br><u>2001 Pesos</u> | <u>At March 31,</u><br><u>2000 Pesos</u> |
|------------------|--|--|--|--|--|
| Liquidity        | 4,641                                    | 2,751                                    | 1,329                                    | 4,277                                    | 9,846                                    |
| Solvency         | 2,689                                    | 1,895                                    | 4,904                                    | 10,004                                   | 30,188                                   |
| Fixed of capital | 0,879                                    | 0,856                                    | 0,816                                    | 0,617                                    | 0,684                                    |
| Return an Equity | 0,039                                    | 0,199                                    | (0,124)                                  | 0,019                                    | (0,002)                                  |

Eduardo Sergio Elsztain  
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 March 31, 2004 and 2003, and the related statements of income, of changes in shareholders' equity and of cash flows for the nine-month periods ended March 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. Certain comparative information included in the basic and consolidated financial statements and in the complementary notes and exhibits in the attached financial statements derives from the financial statements of the Company at March 31, 2003, on which we issued our report on limited review dated May 9, 2003, containing an observation related to the deviation from professional accounting standards as a result of the lack of adoption of the new regulations issued by the National Securities Commission at that date. This situation has been resolved by the Company at the date of issue of these financial statements, and the corresponding adjustments have been recognized.

**Report of Independent Auditors (Continued)**

4. 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, 2003 and 2002, on which we issued our unqualified report dated September 8, 2003, we report that:
- a) The financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria at March 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, 2003.
5. 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 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;

**Report of Independent Auditors (Continued)**

d) At March 31, 2004 no debt is accrued in favor of the Integrated Pension and Survivors Benefit System according to the accounting records

Autonomus City of Buenos Aires, May 11, 2004

PRICE WATERHOUSE & CO

(Partner)

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C.P.C.E.C.A.B.A. T°1 F°1 R.A.P.U.

Dr. Carlos Martin Barbafina

Public Accountant (U.C.A.)

C.P.C.E.C.A. Buenos Aires

T175 - F65

**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

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Name: Saúl Zang

Title: Vice Chairman of the Board of Directors

Dated: May 19, 2004