

CRESUD INC
Form 6-K
May 30, 2006
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

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

For the month of May, 2006

CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA FINANCIERA Y AGROPECUARIA

(Exact name of Registrant as specified in its charter)

CRESUD INC.

(Translation of registrant's name into English)

Republic of Argentina

(Jurisdiction of incorporation or organization)

Moreno 877, 23rd Floor, (C1091AAQ)

Buenos Aires, Argentina

(Address of principal executive offices)

Form 20-F T Form 40-F _____

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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 T

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

(THE COMPANY)

REPORT ON FORM 6-K

Attached is a copy of the English translation of the Unaudited Consolidated Financial Statements For the nine -month period ended March 31, 2006 and 2005.

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Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera

y Agropecuaria

For the nine-month periods ended March 31, 2006 and 2005

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Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria

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, livestock and real-estate
 Financial Statements for the nine-month period
 ended March 31, 2006 presented in
 comparative form with the previous year and
 with the same period of the previous year.
 Financial period No. 71 started on July 1, 2005

DATES OF REGISTRATION AT THE PUBLIC REGISTRY OF COMMERCE

Of the by-laws: February 19, 1937
 Of the latest amendment: June 2, 1997
 Duration of the Company: June 6, 2082
 Information on controlled companies in Note 2 to the consolidated Financial Statements

CAPITAL STATUS (Note 3 of basic financial statements)

SHARES

Type of stock	Authorized Pesos	Subscribed Pesos	Paid-in Pesos
Ordinary certified shares of Ps.1 face value and 1 vote each	176,199,596	176,199,596	176,199,596

Table of Contents**Cresud Sociedad Anónima****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Consolidated Balance Sheet as of March 31, 2006 and 2005 and June 30, 2005**

	March 31, 2006 (Notes 1, 2 and 3)	June 30, 2005 (Notes 1, 2 and 3)	March 31, 2005 (Notes 1, 2 and 3)
	Pesos	Pesos	Pesos
ASSETS			
Current Assets			
Cash and banks (Note 4.a.)	10,046,193	14,468,151	18,332,689
Investments (Note 4.b.)	7,896,475	59,978,002	100,660,590
Trade accounts receivable (Note 4.c.)	8,696,345	9,788,312	6,239,368
Other receivables (Note 4.d.)	17,892,670	22,214,019	15,917,702
Inventories (Note 4.e.)	50,714,748	46,293,640	47,076,758
Total current assets	95,246,431	152,742,124	188,227,107
Non-current assets			
Other receivables (Note 4.d.)	15,093,109	6,480,334	5,277,421
Inventories (Note 4.e.)	60,787,150	53,223,179	55,078,987
Investments on controlled and related companies (Note 4.b.)	320,377,323	289,391,269	303,368,115
Other investments (Note 4.b.)	86,946,920	105,508,513	106,604,680
Fixed assets, net (Schedule A)	219,686,357	166,497,596	158,061,206
Subtotal Non-Current Assets	702,890,859	621,100,891	628,390,409
Goodwill (Note 4.b.)	(17,023,514)	(30,430,822)	(43,320,138)
Total Non-Current Assets	685,867,345	590,670,069	585,070,271
Total Assets	781,113,776	743,412,193	773,297,378
LIABILITIES			
Current Liabilities			
Debts:			
Trade accounts payable (Note 4.f.)	22,571,638	17,894,529	11,213,357
Loans (Note 4.g.)	37,336,082	11,499,782	26,199,626
Salaries and social security payable (Note 4.h.)	1,294,282	1,748,138	1,066,091
Taxes payable (Note 4.i.)	2,052,600	20,203,393	23,578,691
Other debts (Note 4.j.)	2,874,729	14,634,298	15,560,123
Total Debts	66,129,331	65,980,140	77,617,888
Total current liabilities	66,129,331	65,980,140	77,617,888
Non-current liabilities			
Trade accounts payable (Note 4.f.)	981,422		
Taxes payable (Note 4.i.)	50,572,947	39,285,385	35,485,840
Loans (Note 4.g.)	109,201,097	114,693,553	115,881,389

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Other debts (Note 4.j.)	434,309	1,000	1,000
Provisions (Schedule E)	106,570	104,198	38,327
Total Non-current liabilities	161,296,345	154,084,136	151,406,556
Total Liabilities	227,425,676	220,064,276	229,024,444
Minority interest	320,465	276,947	355,930
SHAREHOLDERS EQUITY	553,367,635	523,070,970	543,917,004
Total Liabilities and Shareholders Equity	781,113,776	743,412,193	773,297,378

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

Eduardo S. Elsztain
Chairman

Table of Contents**Cresud Sociedad Anónima****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Consolidated Statement of Income**

For the nine-month periods beginning on July 1, 2005 and 2004

and ended March 31, 2006 and 2005

	March 31, 2006 (Notes 1, 2 and 3) Pesos	March 31, 2005 (Notes 1, 2 and 3) Pesos
Sales		
Crops	31,649,131	15,030,047
Beef cattle	25,011,983	27,112,319
Milk	5,862,005	2,217,786
Feed Lot	1,782,828	1,762,486
Others	4,450,432	3,749,554
Total Sales	68,756,379	49,872,192
Cost of sales (Schedule F)		
Crops	(22,565,103)	(11,777,221)
Beef cattle	(20,715,275)	(22,159,509)
Milk	(3,323,002)	(1,068,897)
Feed Lot	(1,498,624)	(1,601,788)
Others	(1,850,086)	(886,014)
Total cost of sales	(49,952,090)	(37,493,429)
Gross profit	18,804,289	12,378,763
Selling expenses (Schedule H)	(5,974,705)	(3,926,394)
Administrative expenses (Schedule H)	(6,348,710)	(4,779,496)
Net gain on sale of farms	9,897,186	7,657,269
Gain from inventory holding (Schedule F)	2,296,228	9,321,932
Operating income	18,674,288	20,652,074
Financial gain (loss)		
Generated by assets:		
Exchange differences and discounts	10,668,341	(4,766,644)
Interest income	311,933	418,596
Doubtful Accounts (Schedule E)	(25,083)	2,826
Tax on banking debits and credits	(1,283,625)	(1,096,727)
Gain on sale of Convertible Notes	14,872,000	68,754,172
Interest on Notes	6,239,486	7,994,072
Others	1,922,446	229,913
	32,705,498	71,536,208
Generated by liabilities:		

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Reference stabilization index (CER)	(17,996)	(2,396)
Interest paid	41,386	(99,837)
Financial expenses:		
Interest on Convertible Notes (Note 7)	(6,534,054)	(7,419,382)
Others	(1,783,438)	(1,737,116)
Exchange differences and discounts	(9,191,889)	1,892,887
	(17,485,991)	(7,365,844)
Other income and expenses, net		
Gains from other fixed assets sales	34,468	36,281
Others	(17,528)	(3,352,530)
Shareholders' personal assets tax and miscellaneous	(1,352,988)	
	(1,336,048)	(3,316,249)
Income from related companies	11,459,724	20,861,453
Management fee	(2,600,512)	(6,905,699)
Net Income before income tax and minority interest	41,416,959	95,461,943
Income tax expense	(18,176,414)	(33,420,169)
Minority interest	136,482	109,521
Net income for the period	23,377,027	62,151,295

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

Eduardo S. Elsztain
Chairman

Table of Contents**Cresud Sociedad Anónima****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Consolidated Statement of Cash Flows**

For the nine-month periods beginning on July 1, 2005 and 2004

and ended March 31, 2006 and 2005

	March 31, 2006 (Notes 1, 2 and 3) Pesos	March 31, 2005 (Notes 1, 2 and 3) Pesos
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	67,462,547	13,138,533
Cash and cash equivalents at the end of the period	10,836,971	112,792,891
Net (decrease) increase in cash and cash equivalents	(56,625,576)	99,654,358
Causes of changes in cash and cash equivalents		
Operating activities		
Income for the period	23,377,027	62,151,295
Accrued interest	7,092,959	7,319,715
Income tax	18,176,414	33,420,169
Adjustments made to reach net cash flow from operating activities		
Income from interest in related companies	(11,459,724)	(20,861,453)
Minority interest	(136,482)	(109,521)
Increase in allowances, provisions and accruals	8,523,343	9,108,206
Depreciation	3,515,509	2,633,851
Gain from inventory holdings	(2,296,228)	(9,321,932)
Financial results	(5,185,619)	(7,078,085)
Gain on sale of Convertible Notes	(14,872,000)	(68,754,172)
Gain from sale of fixed assets	(9,931,654)	(7,693,550)
Changes in operating assets and liabilities		
Decrease in current investments	5,800,768	2,693,282
Decrease (Increase) in trade accounts receivable	1,066,967	(881,684)
(Increase) Decrease in other receivables	(1,236,566)	5,412,245
Increase in inventories	(10,187,085)	(13,298,610)
Decrease in social security payables, taxes payable and advances from customers	(25,496,535)	(3,184,669)
Decrease in trade accounts payable	(7,469,690)	(1,832,153)
Dividends collected	988,307	1,011,469
Increase in other debts	47,934	1,964,862
Cash flows applied to operating activities	(19,682,355)	(7,300,735)
Investment activities		
Decrease in non-current investments		93,528,147
Increase in interest in related companies	(4,034,772)	(6,349,709)
Acquisition and upgrading of fixed assets	(49,574,732)	(8,978,683)
Collection of receivables from sale of fixed assets	5,736,964	1,127,138
Sale of fixed assets	9,870,951	8,572,815
Cash flows (applied to) provided by investment activities	(38,001,589)	87,899,708

Financing activities

Capital contributions from minority shareholders	180,000	400,000
Exercise of Warrants	8,649,027	10,605,734
Effective incentive plan		240,000
Dividends payment	(10,000,000)	(3,000,000)
Increase in financial loans	33,455,667	44,356,365
Decrease in financial loans	(14,712,326)	(33,546,714)
Decrease in other liabilities	(16,514,000)	
Cash flows provided by financing activities	1,058,368	19,055,385
Net (decrease) increase in cash and cash equivalents	(56,625,576)	99,654,358

Items not involving changes in cash and cash equivalents

Transfer of inventory to fixed assets	498,234	646,712
Increase in other receivables by sale of fixed assets	8,572,080	8,077,546
Increase in fixed assets by increase in other liabilities	7,160,617	
Decrease in other liabilities by decrease in fixed assets	2,055,200	
Repayment of financial loans through issue of stock by exercise of conversion right	13,427,766	8,751,779

Complementary information

Interest paid	6,534,054	5,119,411
Income tax expense paid	27,564,661	562,791

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

Eduardo S. Elsztain
Chairman

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

Notes to the Consolidated Financial Statements

For the nine-month periods ended March 31, 2006 and 2005

NOTE 1: BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

As a consequence of the application of General Resolutions No. 368/01, 434/03, 441/03 and 459/04 of the Comisión Nacional de Valores (C.N.V.), which require that consolidated Financial Statements be presented as established by Technical Resolution No. 21 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (F.A.C.P.C.E.), the Balance Sheet as of March 31, 2006 and 2005 and the Statements of Income and the Statements of Cash Flows for the nine-month 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 for investments in which it has joint control. (see Note 1.b and 1.c to the basic financial statements).

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

The financial statements as of March 31, 2006 and 2005 of the subsidiary companies Inversiones Ganaderas S.A., Futuros y Opciones.Com S.A. and Agropecuaria Cervera S.A. (at March 31, 2006) and Cactus Argentina S.A. as of March 31, 2006 and 2005 have been used in order to determine the investment at its equity value, line by line consolidation and proportional consolidation, respectively.

For purposes of comparability, reclassifications have been made on the information as of March 31, 2005.

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

NOTE 2: CORPORATE CONTROL

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

COMPANY	CRESUD PERCENTAGE OF VOTING SHARES OWNED	CONSOLIDATED PERCENTAGE OF VOTING SHARES OWNED
Inversiones Ganaderas S.A.	99.99	99.99
Futuros y Opciones.Com S.A.	70.00	70.00
Agropecuaria Cervera S.A.	90.00	99.99(*)
<u>JOINT CONTROL</u>		
Cactus Argentina S.A.	50.00	50.00

(*) Includes Interests in Participations of Inversiones Ganaderas S.A.

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

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

High relevant valuation and disclosed criteria applied in preparing the financial statements of Agropecuaria Cervera S.A. (ACER) and not explained in the valuation criteria note of the holding company are as follows:

Valuation criteria - fixed assets

The tree plantations included in the caption have been valued at replacement cost in accordance with the Tree Plantation Increase Report made in December 2003 by a forestry expert at the request of ACER previous shareholders.

Tree plantations have been transferred from inventories as ACER has no intention of sell it but to use it in the production process.

ACER former board of directors based on such report as well as on own estimates accepted the value of Ps. 4,320,000 and recorded an equal amount in other reserves in shareholders equity.

ACER s current board of directors and shareholders will reestimate the above mentioned valuation considering the application of current accounting standards.

Other considerations concessions granted

Among other goods and rights ACER has the concession planning an execution of an integral development project including biological, economy and social issues on several real estates located in the department of Anta, province of Salta. The company is also duty authorized to perform a significant agricultural, cattle farming and forestry project which was awarded under resolution No. 190/99 and bidding No. 58/98 of the Ministry of Production and Employment.

Such concession was granted for a 35 year term with a postponement option of 29 additional years by ACER.

Among other obligations ACER has to invest Ps 16 million in agriculture, cattle farming, hydraulic resources, continuing education, forestry development, forest planting, fauna, natural reserve and eco-tourism, and has to pay an annual US\$ 60,000 cannon to the province of Salta to be paid as from the 20th year as from the commencement of the concession.

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	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Cash	65,976	31,983	42,174
Foreign currency (Schedule G)	90,010	76,607	77,370
Local currency checking account	1,227,017	2,022,467	343,824
Foreign currency checking account (Schedule G)	8,218,713	3,897,430	6,331,295
Local currency saving account	28,197	17,505	15,115
Foreign currency saving account (Schedule G)	6,357	8,026,165	11,252,686
Checks to be deposited	409,923	395,994	270,225
	10,046,193	14,468,151	18,332,689

b. Investments and Goodwill

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Investment			
Investment (Schedule C and G)	7,896,475	59,978,002	100,660,590
	7,896,475	59,978,002	100,660,590
Investment			
Investment from related companies (Schedule C)	320,377,323	289,391,269	303,368,115
	320,377,323	289,391,269	303,368,115
Other investments			
Other investments (Schedule C and G)	86,946,920	105,508,513	106,604,680
	86,946,920	105,508,513	106,604,680
Goodwill			
Goodwill (Schedule C)	(17,023,514)	(30,430,822)	(43,320,138)
	(17,023,514)	(30,430,822)	(43,320,138)

c. Trade accounts receivable

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Current			
Accounts receivable in local currency	8,825,022	8,771,084	5,483,423
Less:			
Allowance for doubtful accounts (Schedule E)	(356,214)	(386,344)	(370,709)
Accounts receivable in foreign currency (Schedule G)	181,491	1,010,091	1,061,542
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Cactus Argentina S.A.	46,046	393,087	65,112
IRSA Inversiones y Representaciones S.A.		394	
	8,696,345	9,788,312	6,239,368

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

NOTE 4: (Continued)**d. Other receivables**

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Current			
Prepaid leases	125,465	6,512,492	165,910
Tax on Minimum Presumed Income (Note 2.p.)	7,425,960	54,872	38,006
Guarantee deposits and premiums (Schedule G)	1,564,245	2,675,032	1,951,565
Secured by mortgage (Schedule G)	3,141,226	8,217,166	8,164,858
Prepaid expenses	692,671	2,125,903	989,895
Gross sales tax credit	3,816		
Tax prepayments (net of accrual)	3,890,413	1,945,005	2,946,290
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Cactus Argentina S.A.	185,390	166,104	681,982
IRSA Inversiones y Representaciones S.A.	1,331		
Agro-Uranga S.A.	160,609	39,993	694,981
Credits to employees	75,818	36,582	41,801
Directors	10,940		
Others	614,786	440,870	242,414
	17,892,670	22,214,019	15,917,702
Non-current			
Prepaid leases		75,915	75,916
Tax prepayments	5,672,316	6,328,177	5,080,327
Secured by mortgage (Schedule G)	8,254,430		
Tax on Minimum Presumed Income	82,006	60,818	72,849
Deferred tax	74,374	14,874	44,044
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Credits to employees			3,385
Cactus Argentina S.A.	9,814		
Alto Palermo S.A. (Schedule G)	686,996		
IRSA Inversiones y Representaciones S.A.	176,656		
Others	136,517	550	900
	15,093,109	6,480,334	5,277,421

e. Inventories

March 31, June 30, March 31,

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	2006 Pesos	2005 Pesos	2005 Pesos
Current			
Livestock	13,609,916	15,152,813	13,364,281
Crops	14,800,090	24,930,778	12,077,749
Unharvested crops	18,025,519	826,336	17,777,895
Seeds and fodder	294,515	319,169	500,487
Materials and others	3,361,494	4,617,843	2,779,406
Advances to suppliers	623,214	446,701	576,940
	50,714,748	46,293,640	47,076,758
Non-Current			
Livestock	60,787,150	53,223,179	55,078,987
	60,787,150	53,223,179	55,078,987

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

NOTE 4: (Continued)**f. Trade accounts payable**

	March 31,	June 30,	March 31,
	2006	2005	2005
	Pesos	Pesos	Pesos
Current			
Suppliers in local currency	5,361,413	3,870,091	4,351,058
Suppliers in foreign currency (Schedule G) (1)	9,806,871	6,611,576	2,315,281
Interest to be accrued (Schedule G) (2)	(272,250)		
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Inversora Bolívar S.A.	105,180	5,445	6,777
Alto City.Com. S.A.	900		298
Alto Palermo S.A.	60,409	193,053	74,664
IRSA Inversiones y Representaciones S.A.		43,822	159,268
Cactus Argentina S.A.	223,455	11,953	206,902
Estudio Zang, Bergel & Viñes	191,597	34,297	76,847
Fundación IRSA	1,900,000	1,900,000	1,177,988
Directors			2,159
Accrual for other expenses (Schedule G)	4,517,773	5,075,352	2,513,471
Short- term debts	23,510	98,479	
Accrual for harvest expenses	652,780	50,461	328,644
	22,571,638	17,894,529	11,213,357
Non-Current			
Accrual for other expenses (Schedule G)	981,422		
	981,422		

- (1) Includes as of March 31, 2006 U\$S 2,500,000 for the acquisition of farm San Pedro corresponding to suppliers in foreign currency secured by mortgage. See note 11
- (2) Corresponds to the liability mentioned in (1).

g. Loans

	June 30,	March 31,
	2005	2005
	Pesos	Pesos
March 31,		
2006		

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Current			
Local financial loans (Note 16)	34,014,572	10,315,556	22,554,698
Convertible Notes 2007 Interest payable (Schedule G)	1,602,388	476,343	1,468,115
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Shareholders	1,715,992	706,891	2,173,764
Directors	3,130	992	3,049
	37,336,082	11,499,782	26,199,626
Non-Current			
Convertible Notes 2007 third parties (Schedule G)	53,022,519	45,815,657	47,189,423
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Shareholders	56,776,844	69,934,463	69,870,974
Directors	103,555	98,100	98,011
Convertible Notes 2007 expenses	(701,821)	(1,154,667)	(1,277,019)
	109,201,097	114,693,553	115,881,389

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

NOTE 4: (Continued)

h. Salaries and social security payable

	March 31, 2006	June 30, 2005	March 31, 2005
	Pesos	Pesos	Pesos
Current			
Accrual for vacation and statutory annual bonus	1,091,873	1,423,925	874,254
Social security taxes payable	147,545	224,914	114,964
Salaries payable	32,622	81,488	53,422
Health care payable	12,856	7,185	12,180
Others	9,386	10,626	11,271
	1,294,282	1,748,138	1,066,091

i. Taxes payable

	March 31, 2006	June 30, 2005	March 31, 2005
	Pesos	Pesos	Pesos
Current			
Accrual for income tax	153,632	24,772,007	24,289,677
Advances to Income tax		(5,148,500)	(2,651,051)
Tax on Minimum Presumed Income	64,350	70,508	68,773
Value added tax	43,781		6,755
Property tax payable	216,721	86,960	80,182
Taxes withheld for income tax	105,850	165,166	68,995
Gross sales tax payable	86,864	215,145	80,846
Taxes withheld-Gross sales tax payable	4,397		
Taxes withheld-Value added tax payable	30,757	41,215	10,036
Others	1,346,248	892	1,624,478
	2,052,600	20,203,393	23,578,691
Non-current			
Deferred tax	50,572,947	39,285,385	33,961,761
Tax on Minimum Presumed Income			1,524,079
	50,572,947	39,285,385	35,485,840

j. Other debts

	March 31, 2006	June 30, 2005	March 31, 2005
	Pesos	Pesos	Pesos
Current			
Security transactions payable (Schedule G)		4,180,593	
Advances from customers (Schedule G)		2,055,200	7,889,200
Management fees accrual	2,600,512	8,239,263	6,905,699
Other income to be accrued	40,623		
Loan to FYO minority shareholders	134,196	134,196	134,196
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Directors	32,400	3,393	
Cactus Feeders Inc.	46,502	1,268	513,253
Others	20,496	20,385	117,775
	2,874,729	14,634,298	15,560,123
Non-current			
Other income to be accrued	433,309		
Guarantee deposit	1,000	1,000	1,000
	434,309	1,000	1,000

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

NOTE 5:**a) Assets based on their estimated collection term (in pesos)**

Based on their estimated collection term	Current and non-current								
	March 31, 2006	Investment June 30, 2005	March 31, 2005	Trade accounts receivable		Other receivables			March 31, 2005
			March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005	
1st quarter 2005/2004 financial period									
2nd quarter 2005/2004 financial period									
3rd quarter 2005/2004 financial period									
4th quarter 2005/2004 financial period			3,338,226			6,214,368			3,748,270
1st quarter 2006/2005 financial period					9,787,593			9,655,284	8,172,640
2nd quarter 2006/2005 financial period		1,078,320						1,388,408	646,991
3rd quarter 2006/2005 financial period								4,115,610	825
4th quarter 2006/2005 financial period	2,604,146			8,548,703			5,400,453	5,324	3,385
1st quarter 2007/2006 financial period							2,838,966		
2nd quarter 2007/2006 financial period							8,007,137		25,582
3rd quarter 2007/2006 financial period							547,723		
4th quarter 2007/2006 financial period							10,128		
1st quarter 2008/2007 financial period		105,487,796					2,180,582		
2nd quarter 2008/2007 financial period	86,166,588		106,583,963				10,128		
3rd quarter 2008/2007 financial period							437,517		
4th quarter 2008/2007 financial period							10,128		
1st quarter 2009/2008 financial period							2,174,871		
2nd quarter 2009/2008 financial period							1,964		
1st quarter 2010/2009 financial period							1,744,050		
1st quarter 2011/2010 financial period							1,743,066		
Overdue							25,000		

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With no stated current term	5,292,329	58,899,682	97,322,364	147,642	719		1,098,391	7,049,393	3,348,976
With no stated non-current term	780,332	20,717	20,717				6,780,675	6,480,334	5,248,454
Total	94,843,395	165,486,515	207,265,270	8,696,345	9,788,312	6,239,368	32,985,779	28,694,353	21,195,123

b) Assets classified according to their interest rate (in pesos)

Current and non-current

Interest rate that they accrue	Investment June 30,		Trade accounts receivable			Other receivables			
	March 31, 2006	2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005
At fixed interest rate	86,166,588	105,487,796	106,583,964				11,111,155	8,095,402	8,143,356
At variable interest rate	5,292,328	58,899,682	94,877,040				2,449,378	2,314,696	910,592
Non-interest bearing	3,384,479	1,099,037	5,804,266	8,696,345	9,788,312	6,239,368	19,425,246	18,284,255	12,141,175
Total	94,843,395	165,486,515	207,265,270	8,696,345	9,788,312	6,239,368	32,985,779	28,694,353	21,195,123

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

NOTE 5: (Continued)Liabilities based on their estimated payment term:

Based on their estimated payment term	Trade accounts payable				Loans June 30,	Salaries and social security payable			
	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005
1 st quarter 2005/2004									
2 nd quarter 2005/2004									
3 rd quarter 2005/2004									
4 th quarter 2005/2004			11,213,357			16,086,293			507,601
1 st quarter 2006/2005		12,623,191			10,315,556	10,113,333		1,721,673	558,490
2 nd quarter 2006/2005		4,308,000			1,184,226			6,583	
3 rd quarter 2006/2005								19,882	
4 th quarter 2006/2005	15,258,186			3,321,510			458,460		
1 st quarter 2007/2006	7,277,500			13,398,902			588,579		
2 nd quarter 2007/2006							72,719		
3 rd quarter 2007/2006							174,524		
4 th quarter 2007/2006									
1 st quarter 2008/2007					114,693,553	115,881,389			
2 nd quarter 2008/2007				109,201,097					
3 rd quarter 2008/2007									
4 th quarter 2008/2007									
1 st quarter 2009/2008									
2 nd quarter 2009/2008									
Overdue									
With no stated current term	35,952	963,338		20,615,670					
With no stated non-current term	981,422								
Total	23,553,060	17,894,529	11,213,357	146,537,179	126,193,335	142,081,015	1,294,282	1,748,138	1,066,091

Based on their estimated payment term	Taxes payable			Other debts			Provisions		
	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005
1 st quarter 2005/2004									
2 nd quarter 2005/2004									
3 rd quarter 2005/2004									
4 th quarter 2005/2004				1,863,094			7,023,474		
1 st quarter 2006/2005		509,378			14,500,103	7,889,200			
2 nd quarter 2006/2005		19,694,015	21,715,597						
3 rd quarter 2006/2005									
4 th quarter 2006/2005	1,834,618			2,528,060					
1 st quarter 2007/2006				13,541					
2 nd quarter 2007/2006	217,982			13,541					
3 rd quarter 2007/2006									

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4 th quarter 2007/2006					1,472					
1 st quarter 2008/2007					1,472					
2 nd quarter 2008/2007					1,472					
3 rd quarter 2008/2007					1,472					
4 th quarter 2008/2007					1,472					
1 st quarter 2009/2008					1,472					
2 nd quarter 2009/2008					982					
Overdue										
With no stated current term					319,587	134,195	647,449			
With no stated non-current term	50,572,947	39,285,385	35,485,840	424,495	1,000	1,000	106,570	104,198	38,327	
Total	52,625,547	59,488,778	59,064,531	3,309,038	14,635,298	15,561,123	106,570	104,198	38,327	

Liabilities classified according to their interest rate:

Interest in rate that they accrue	Trade accounts payable				Loans	Salaries and social security payable				
	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005	
At fixed interest rate	6,552,112			143,917,490	126,163,776	139,713,106				
At variable interest rate										
Non-interest bearing	17,000,948	17,894,529	11,213,357	2,619,689	29,559	2,367,909	1,294,282	1,748,138	1,066,091	
Total	23,553,060	17,894,529	11,213,357	146,537,179	126,193,335	142,081,015	1,294,282	1,748,138	1,066,091	

Interest in rate that they accrue	Taxes payable				Other debts		Provisions			
	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005	
At fixed interest rate										
At variable interest rate				1,662,660						
Non-interest bearing	52,625,547	59,488,778	59,064,531	1,686,378	14,635,298	15,561,123	106,570	104,198	38,327	
Total	52,625,547	59,488,778	59,064,531	3,309,038	14,635,298	15,561,123	106,570	104,198	38,327	

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

NOTE 6: EARNINGS PER SHARE

Following is 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 U\$50,000,000 mentioned in Note 13 of the basic financial statements, exercise their right to convert into stock the titles they bear.

	March 31, 2006	March 31, 2005
Average appraised stock in circulation	166,847,072	152,945,734
Average appraised diluted ordinary stock	321,214,392	321,214,392
	March 31, 2006	March 31, 2005
Earnings for the calculation of basic earnings per share	23,377,027	62,151,295
Exchange differences	7,482,465	7,419,382
Financing expenses	6,534,054	(1,677,679)
Income tax	(4,575,341)	(1,874,235)
Management fees	(944,118)	(386,747)
Earnings for the calculation of diluted earnings per share	31,874,087	65,632,016
	March 31, 2006	March 31, 2005
BASIC Earnings per share		
Earnings	23,377,027	62,151,295
Number of shares	166,847,072	152,945,734
Earnings per share	0.14	0.41
	March 31, 2006	March 31, 2005
DILUTED Earnings per share		
Earnings	31,874,087	65,632,016
Number of shares	321,214,392	321,214,392
Earnings per share	0.10	0.20

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

NOTE 7: SEGMENT INFORMATIONAs of March 31, 2006:

Description	Crops	Milk			Others	Without specific allocation	Total
	(pesos)	Beef Cattle (pesos)	(pesos)	Feed Lot (pesos)			
Sales	31,649,131	25,011,983	5,862,005	1,782,828	4,450,432		68,756,379
Assets	144,028,508	144,529,295	20,361,462	3,883,139	2,558,810	465,752,562	781,113,776
Liabilities	7,035,020	1,018,682	26,575	827,696	966,896	217,550,807	227,425,676
Fixed asset additions	10,394,410	9,145,356	1,182,903	(731,423)	(79,770)	42,750,737	62,662,213
Depreciation of fixed assets	1,507,882	852,737	359,300	229,575	47,273	518,742	3,515,509
Income from related companies	1,098,374	9,749	229,719			10,121,882	11,459,724

As of March 31, 2005:

Description	Crops	Milk			Others	Without specific allocation	Total
	(pesos)	Beef Cattle (pesos)	(pesos)	Feed Lot (pesos)			
Sales	15,030,047	27,112,319	2,217,786	1,762,486	3,749,554		49,872,192
Assets	96,005,996	117,973,933	25,970,893	4,331,624	1,463,144	527,551,788	773,297,378
Liabilities	5,414,854	580,566	201,135	1,311,996	517,011	220,998,882	229,024,444
Fixed asset additions	1,932,891	1,302,443	2,688,570	119,954	63,029	2,871,796	8,978,683
Depreciation of fixed assets	903,728	732,112	103,496	223,517	60,213	610,785	2,633,851
Income from related companies	1,200,538	48,109	167,474		433,817	19,011,515	20,861,453

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

Consolidated Fixed Assets

For the nine-month periods ended March 31, 2006 and 2005

and the year ended June 30, 2005

(Notes 1, 2, and 3)

Schedule A

Principal Account	Depreciation									Net	Net	Net
	Value at the beginning of the period Pesos	Additions And/or transfers Pesos	Deductions and/or Transfers Pesos	Value at the end of the period Pesos	Rate %	Accumulated at the beginning of the period Pesos	Decrease of the period Pesos	Current Period Pesos	Accumulated at the end of the period Pesos	carrying	carrying	carry
										value as of March 31, 2006 Pesos	value as of June 30, 2005 Pesos	value as March 31, 2005 Pesos
Real estate	127,920,136	23,076,613	5,691,493	145,305,256						145,305,256	127,920,136	117,902,136
Fences	4,815,906	23,884	181,072	4,658,718	3	1,126,302	54,868	120,977	1,192,411	3,466,307	3,689,604	3,812,604
Draining troughs	3,549,725	105,800	254,865	3,400,660	5	1,090,500	100,736	127,478	1,117,242	2,283,418	2,459,225	2,529,725
Leucaena fields and podsols	3,265,110	890,877	1,282,571	2,873,416	12-25-50	2,020,885	1,199,476	433,545	1,254,954	1,618,462	1,244,225	704,225
Buildings and constructions	5,982,037	23,750,313	58,895	29,673,455	2	1,901,144	10,112	444,475	2,335,777	27,337,678	4,080,893	3,739,893
Machinery	9,610,388	933,896	15,045	10,529,239	10	6,152,583	12,036	724,279	6,864,826	3,664,413	3,457,805	2,167,805
Trucks	1,520,010	356,093	48,864	1,827,239	20	870,378	48,864	219,685	1,041,199	786,040	649,632	660,632
Tractors	193,155	4,565		197,720	10	139,216		10,239	149,455	48,265	53,939	52,939
Equipment and furniture	1,149,488	54,571		1,204,059	10	716,045		86,662	802,707	401,352	433,443	370,352
Leasing	670,101	28,215		698,316	3	130,029		17,256	147,285	551,031	540,072	509,072
Trucks	1,057,888	89,688	25,160	1,122,416	10	689,480	12,580	81,939	758,839	363,577	368,408	370,408
Utilities	11,596,648	189,413	26,008	11,760,053	10-20-33	4,647,034	24,295	859,191	5,481,930	6,278,123	6,949,614	3,311,614
Computer equipment	1,188,319	176,073	14,256	1,350,136	20	844,095	14,256	123,142	952,981	397,155	344,224	370,155
Plants	1,169,114		72,595	1,096,519	5	378,719	31,942	44,765	391,542	704,977	790,395	800,395
Lot	3,871,779	60,445		3,932,224		1,357,519		221,606	1,579,125	2,353,099	2,514,260	2,521,260
Constructions in process	10,918,842	7,213,077	252,150	17,879,769						17,879,769	10,918,842	17,943,842
Advances to suppliers	82,879		42,368	40,511						40,511	82,879	284,879
Raw Products-		70,384		70,384						70,384		
Raw Products materials		4,320,000		4,320,000						4,320,000		
Advances in parties		1,816,540		1,816,540						1,816,540		
Total as of March 31, 2006	188,561,525	63,160,447	7,965,342	243,756,630		22,063,929	1,509,165	3,515,509	24,070,273	219,686,357		

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as of June 30,	179,919,641	27,067,824	18,425,940	188,561,525	19,893,168	1,998,378	4,169,139	22,063,929	166,497,596
as of March 31, 2005	179,919,641	9,625,395	9,334,882	180,210,154	19,893,168	378,071	2,633,851	22,148,948	158,061,517

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

For the nine-month periods ended March 31, 2006 and 2005 and the year ended June 30, 2005

(Notes 1, 2, and 3)

Schedule C

Type and characteristics Of the securities	INFORMATION ON THE ISSUER Latest financial statements								
	Amount	Value at	Value at	Value at	Market Value Pesos	Principal activity	Capital Pesos	Income for the period Pesos	Shareholders' Equity Pesos
		March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos					
Current Investments									
Mutual Funds									
Bony Hamilton Fund in dollars	15,325	46,617	52,439,110	93,601,984	3,041,978				
Banco Río Special Fund in pesos	0	465,382	50,034	206,901					
Banco Río Plazo fijo Fund in dollars	0		2,395	2,523					
Bank Boston 1784 Fund		40,013							
		552,012	52,491,539	93,811,408					
Notes and Convertible Bonds									
Interest on IRSA Convertible Notes 2007 (US\$)									
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:									
IRSA Inversiones y Representaciones S.A.		2,604,146	1,078,320	3,338,226					
Global 2010 Bonds	110,000	103,732	100,997	95,732	0.943018				
Bocon Pro 1	157,647	630	630	630	0.003996				
Arg Discount Bonds	0			2,445,324					
Nobacs	3,000,000	2,982,000	3,003,000		0.994000				
Arg Discount 2033 Bonds			1,073,823						
Raymond James Interest of Bonds	0		20,235						
Mortgage Bonds	1,408,148	1,415,189	1,706,662		1.005000				
Letes	0			320,571					
		7,105,697	6,983,667	6,200,483					
Deposits in foreign banks in dollars		238,766	502,796	648,699					

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	238,766	502,796	648,699						
Total current investments	7,896,475	59,978,002	100,660,590						
Non-current investments									
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:									
AGRO-URANGA S.A.				Unlisted	Agriculture	2,500,000	1,038,398	12,889,465	
Shares	893,069	5,573,730	5,344,811	4,932,749					
Contribution on account of future subscriptions of shares		7,865	7,865	7,865					
Higher property value		11,179,150	11,179,150	11,179,150					
		16,760,745	16,531,826	16,119,764					
IRSA Inversiones y Representaciones S.A.									
Shares (Note 14)	87,025,013	303,616,578	272,859,443	287,248,351	3.550000	Real Estate	368,447,884	28,987,509	1,301,356,122
		303,616,578	272,859,443	287,248,351					
		320,377,323	289,391,269	303,368,115					
Other Investments									
IRSA Convertible Notes 2007 (US\$)									
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:									
IRSA Inversiones y Representaciones S.A.	27,958,011	86,166,588	105,487,896	106,583,963					
BrasilAgro-Companhia Brasileira de Propiedades Agricolas (in formation)		759,615							
Coprolán		20,717	20,717	20,717	Unlisted				
Subtotal		86,946,920	105,508,513	106,604,680					
Goodwill									
Goodwill				164,919					
IRSA negative goodwill	(40,605,160)	(30,430,822)	(43,485,057)						
Agropecuaria Cervera S.A. goodwill		23,581,646							
Subtotal	(17,023,514)	(30,430,822)	(43,320,138)						
Total non-current investments	390,300,729	364,468,960	366,652,657						

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

Consolidated Allowances and Provisions

For the nine-month periods ended March 31, 2006 and 2005

and the year ended June 30, 2005

(Notes 1, 2, and 3)

Schedule E

Item	Balances at the beginning of the period Pesos	Increases (1) Pesos	Decreases (2) Pesos	Applications Pesos	Value at March 31, 2006 Pesos	Value at June 30, 2005 Pesos	Value at March 31, 2005 Pesos
Deducted from assets							
Allowance for doubtful accounts	381,214	50,000	(25,000)	(50,000)	356,214	386,344	370,709
Included in liabilities							
Non-current law contingencies for pending lawsuits	104,198	2,372			106,570	104,198	38,327
Total at March 31, 2006	485,412	52,372	(25,000)	(50,000)	462,784		
Total at June 30, 2005	450,394	85,504	(5,824)	(38,532)		490,542	
Total at March 31, 2005	450,394		(2,826)	(38,532)			409,036

(1) Included in Other Income and Other Expense.

(2) Included in Allowance for Doubtful Accounts.

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

Consolidated Cost of Sales

For the nine-month periods ended March 31, 2006 and 2005

and year ended June 30, 2005

(Notes 1, 2, and 3)

Schedule F

Crops		Beef cattle		Milk		Feed Lot		Others		March 31,	Total	March
March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005	2006		2006
Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos		Pesos
		61,552,248	59,418,980	6,823,744	4,150,630					68,375,992		63,569,610
24,930,778	8,639,910									24,930,778		8,639,910
826,336	1,603,897									826,336		1,603,897
128,575		172,941	134,870	17,653	103,508				3,138	319,169		241,516
3,768,385	3,842,219			65,430	44,982	155,791	601,626	628,237	197,822	4,617,843		4,686,649
29,654,074	14,086,026	61,725,189	59,553,850	6,906,827	4,299,120	155,791	601,626	628,237	200,960		99,070,118	
		1,914,483	9,062,762	375,173	259,170	6,572					2,296,228	
(438,424)	2,924,090					(9,499)	4,528				(447,923)	
(91,722)	(149,403)	(30,020)	27,851				(65,938)	(601,402)			(723,144)	
(346,306)	(572,364)	791,868				(791,868)		(151,928)	(74,348)		(498,234)	
(14,052,802)	(11,608,487)	(382,865)	(400,174)	(1,018,566)	(480,058)			(360,753)	(370,876)		(15,814,986)	
28,609,741	27,919,030	317,795	150,440	(317,795)	(150,440)	1,698,059	660,306	1,103,310	565,247		43,547,555	
14,946,376	11,322,950	12,824,503	12,912,144	3,571,080	1,459,122	624,004	571,786	1,435,197	835,014		33,401,160	

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	(65,269,557)	(63,474,828)	(9,127,509)	(4,968,440)						(74,397,066)	(68,443,268)
(14,800,090)	(12,077,749)									(14,800,090)	(12,077,749)
(18,025,519)	(17,777,895)									(18,025,519)	(17,777,895)
(20,000)	(174,511)	(271,597)	(100,004)	(228,890)						(294,515)	(500,487)
(2,870,225)	(2,288,977)		(104,259)	(49,926)	(184,435)	(170,520)	(202,575)	(269,983)	(3,361,494)	(110,878,684)	(2,779,406)
22,565,103	11,777,221	20,715,275	22,159,509	3,323,002	1,068,897	1,498,624	1,601,788	1,850,086	886,014		49,952,090

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- (1) Includes cattle births of the fiscal period.
 - (2) Includes cattle production amounting Ps. 18,702,618 and Ps. 21,157,057 as of March 31, 2006 and 2005, respectively.
 - (2) Includes grains production amounting to Ps. 16,972,639 and Ps. 14,303,618 as of March 31, 2006 and 2005, respectively.

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

Consolidated foreign currency assets and liabilities

For the nine-month periods ended March 31, 2006 and 2005

(Notes 1, 2, and 3)

Schedule G

Item	As of March 31, 2006			As of June 30, 2005		As of March 31, 2005	
	Type and amount of foreign Currency	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
Current Assets							
Cash and banks							
Cash and banks	US\$ 2,733,315	3.042	8,314,743	US\$ 4,215,034	12,000,202	US\$ 6,138,808	17,661,351
Cash and banks	Rs 250	1.348	337				
Investments:							
Mutual funds	US\$ 15,324	3.042	46,617	US\$ 18,419,917	52,441,505	US\$ 32,535,456	93,604,507
Interest of IRSA Convertible Notes 2007							
Subsidiaries, related companies Law 19,550							
Section 33 and related parties:							
IRSA Inversiones y Representaciones S.A.	US\$ 844,953	3.082	2,604,146	US\$ 373,509	1,078,320	US\$ 1,144,404	3,338,226
Deposits in foreign banks	US\$ 78,490	3.042	238,766	US\$ 176,606	502,796	US\$ 225,478	648,699
Trade accounts receivable:							
Trade accounts receivable	US\$ 59,662	3.042	181,491	US\$ 354,791	1,010,091	US\$ 368,975	1,061,542
Other receivables:							
Secured by mortgage	US\$ 1,032,619	3.042	3,141,226	US\$ 2,886,254	8,217,166	US\$ 2,837,976	8,164,858
Guarantee deposits	US\$ 514,216	3.042	1,564,245	US\$ 939,597	2,675,032	US\$ 678,333	1,951,565
Subsidiaries, related companies Law 19,550							
Section 33 and related parties:							
Cactus Argentina S.A	US\$ 3,184	3.082	9,814				
Others	US\$ 15,922	3.082	49,071				
Non current assets							
Other receivables							
Secured by mortgage	US\$ 2,713,488	3.042	8,254,430				
Subsidiaries, related companies Law 19,550							
Section 33 and related parties:							
Alto Palermo S.A	US\$ 222,906	3.082	686,996				
IRSA Inversiones y Representaciones S.A.	US\$ 57,319	3.082	176,656				
Others	US\$ 31,844	3.082	98,142				
Investments:							
IRSA Convertible Notes 2007							
Subsidiaries, related companies Law 19,550							
Section 33 and related parties:							
IRSA Inversiones y Representaciones S.A.	US\$ 27,958,010	3.082	86,166,588	US\$ 36,538,897	105,487,796	US\$ 36,538,897	106,583,963
US\$	US\$ 36,281,252		111,532,931	US\$ 63,904,605	183,412,908	US\$ 80,468,327	233,014,711
Rs	Rs 250		337				

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Total Assets			111,533,268		183,412,908		233,014,711			
Current liabilities										
Trade accounts payable:										
Suppliers	U\$\$	3,181,983	3.082	9,806,871	U\$\$	2,290,120	6,611,576	U\$\$	793,720	2,315,281
Accrual for other expenses	U\$\$	1,373,600	3.082	4,233,435	U\$\$	607,354	2,592,869	U\$\$	607,354	1,771,652
Interest to be accrued	U\$\$	(88,335)	3.082	(272,250)	U\$\$			U\$\$		
Loans:										
Local Banks	U\$\$	4,347,470	3.082	13,398,902	U\$\$			U\$\$		
Interest of Convertible Notes 2007	U\$\$	519,918	3.082	1,602,388	U\$\$	164,996	476,343	U\$\$	503,296	1,468,115
Subsidiaries, related companies Law 19,550										
Section 33 and related parties:										
Shareholders	U\$\$	556,779	3.082	1,715,992	U\$\$	244,853	706,891	U\$\$	745,205	2,173,764
Directors	U\$\$	1,016	3.082	3,130	U\$\$	344	992	U\$\$	1,045	3,049

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

Consolidated foreign currency assets and liabilities

For the nine-month periods ended March 31, 2006 and 2005

(Notes 1, 2, and 3)

Schedule G (Cont.)

Item	Type and amount of foreign Currency	As of March 31, 2006		As of June 30, 2005		As of March 31, 2005		
		Current exchange rate	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	
Other debts:								
Security transactions payable	U\$S			U\$S 1,448,075	4,180,593	U\$S		
Advances from customers	U\$S			U\$S 711,881	2,055,200	U\$S 2,704,559	7,889,200	
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties								
Cactus Feeders						U\$S 13,961	40,274	
Non-current liabilities								
Accrual for other expenses	U\$S	318,437	3,082	981,422				
Loans:								
Convertible Notes 2007	U\$S	17,203,932	3,082	53,022,519	U\$S 15,869,642	45,815,657	U\$S 16,177,382	47,189,423
Subsidiaries, related companies Law 19,550 Article 33 and related parties:								
Shareholders	U\$S	18,422,078	3,082	56,776,844	U\$S 24,223,922	69,934,463	U\$S 23,953,025	69,870,974
Directors	U\$S	33,600	3,082	103,555	U\$S 33,980	98,100	U\$S 33,600	98,011
Total Liabilities	U\$S	45,870,478		141,372,808	U\$S 45,595,167	132,472,684	U\$S 45,533,147	132,820,193

U\$S - US dollars

RS Brazilian Reais

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Consolidated Information submitted in compliance with Section 64, subsection B of Law No.19,550**

For the nine-month periods ended March 31, 2006 and 2005

(Notes 1, 2, and 3)

Schedule H

Items	Total as of	Total	Crops	Operating Expenses			Expenses			Total as of
	March 31, 2006			Beef cattle	Milk	Feed Lot	Others	Selling	Administrative	March 31, 2005
	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	
Directors fees	185,724							185,724	90,169	
Fees and payments for services	1,958,020	303,983	1,669	167,654	76,285		58,375	1,654,037	995,406	
Salaries and wages	5,862,710	3,244,681	591,875	1,326,763	612,899		713,144	78,567	2,539,462	4,735,448
Social security taxes	1,044,586	547,111	227,132	152,988	31,154		135,837	14,965	482,510	830,802
Taxes, rates and contributions	626,223	508,489	235,233	83,698	47,974		141,584	589	117,145	376,881
Gross sales taxes	479,577							479,577		410,200
Office and administrative expenses	803,128	179,291		7,255			172,036	1,773	622,064	598,415
Bank commissions and expenses	26,579	26,579	6,599	3,029	504		16,447			22,051
Depreciation of fixed assets	3,515,509	3,268,834	1,797,645	813,484	393,548	210,526	53,631		246,675	2,633,851
Vehicle and traveling expenses	621,144	406,720	164,380	186,059	12,456		43,825	9,358	205,066	491,224
Spare parts and repairs	1,315,555	1,308,064	720,895	481,871	105,298				7,491	1,022,348
Insurance	207,347	44,591	19,622	15,961	1,305		7,703		162,756	193,552
Benefits to Employees	296,991	194,208	54,895	112,979	8,529		17,805		102,783	276,421
Livestock expenses (1)	9,925,274	9,284,095		9,284,095				641,179		10,338,566
Dairy farm expenses (2)	2,264,870	2,264,870			2,264,870					896,496
Agricultural expenses (3)	15,554,087	10,867,378	10,867,378					4,686,709		11,104,307
Feed lot expenses	413,478	413,478					413,478			367,016
Silo expenses	24,950	24,950	24,950							97,032
Coal expenses	202							202		

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ACER expenses	21,649	21,649					21,649			
FyO expenses	61,391	6,750					6,750	54,641		52,616
General expenses	515,581	485,439	243,103	188,667	16,258		46,411	7,145	22,997	274,105
Total as of March 31, 2006	45,724,575	33,401,160	14,946,376	12,824,503	3,571,080	624,004	1,435,197	5,974,705		6,348,710
Total as of March 31, 2005		27,101,016	11,322,950	12,912,144	1,459,122	571,786	835,014	3,926,394	4,779,496	35,806,906

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- (1) Includes cattle food and additives, lodging, animal health and others.
(2) Includes cattle food and additives, animal health and others.
(3) Includes seeds, agrochemicals, irrigation, services hired, leases and others.

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria****Balance Sheet as of March 31, 2006 and 2005 and June 30, 2005**

	March 31, 2006 (Notes 1 and 2) Pesos	June 30, 2005 (Notes 1 and 2) Pesos	March 31, 2005 (Notes 1 and 2) Pesos
ASSETS			
Current Assets			
Cash and banks (Note 8.a.)	9,101,296	13,807,272	18,162,361
Investments (Note 8.b.)	7,152,314	59,425,172	99,805,081
Trade accounts receivable (Note 8.c.)	6,472,743	9,406,400	5,330,354
Other receivables (Note 8.d.)	16,802,356	21,353,798	16,070,289
Inventories (Note 8.e.)	49,263,569	43,647,216	46,258,634
Total Current Assets	88,792,278	147,639,858	185,626,719
Non-Current Assets			
Other receivables (Note 8.d.)	16,530,828	6,404,092	5,156,243
Inventories (Note 8.e.)	57,206,925	48,743,639	49,804,357
Investments on controlled and related companies (Note 8.b.)	341,441,146	306,089,140	318,339,764
Other investments (Note 8.b.)	86,946,920	105,508,513	106,604,680
Fixed assets, net (Schedule A)	204,991,842	158,082,019	149,675,795
Subtotal Non-Current Assets	707,117,661	624,827,403	629,580,839
Goodwill (Note 8.b.)	(18,694,399)	(30,430,822)	(43,320,138)
Total Non-Current Assets	688,423,262	594,396,581	586,260,701
Total Assets	777,215,540	742,036,439	771,887,420
LIABILITIES			
Current Liabilities			
Debts:			
Trade accounts payable (Note 8.f.)	21,288,319	16,993,710	10,720,217
Loans (Note 8.g.)	37,336,082	11,499,782	26,199,626
Salaries and social security payable (Note 8.h.)	1,058,735	1,564,647	913,151
Taxes payable (Note 8.i.)	1,659,998	20,041,396	23,444,691
Other debts (Note 8.j.)	2,653,212	16,104,211	16,646,149
Total Debts	63,996,346	66,203,746	77,923,834
Total Current Liabilities	63,996,346	66,203,746	77,923,834
Non-Current Liabilities			
Trade accounts payable (Note 8.f.)	981,422		
Loans (Note 8.g.)	109,201,097	114,693,553	115,881,389
Taxes payable (Note 8.i.)	49,600,797	37,987,388	33,961,761
Other debts (Note 8.j.)		14,911	203,432
Provisions (Schedule E)	68,243	65,871	

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Total Non-Current Liabilities	159,851,559	152,761,723	150,046,582
Total liabilities	223,847,905	218,965,469	227,970,416
SHAREHOLDERS EQUITY	553,367,635	523,070,970	543,917,004
Total Liabilities and Shareholders Equity	777,215,540	742,036,439	771,887,420

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

Eduardo S. Elsztain

Chairman

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Statement of Income

For the nine-month periods ended March 31, 2006 and 2005

	March 31, 2006 (Notes 1 and 2) Pesos	March 31, 2005 (Notes 1 and 2) Pesos
Sales		
Crops	31,649,131	15,030,047
Beef cattle	19,725,313	26,261,038
Milk	5,862,005	2,217,786
Other	2,709,371	2,995,176
Total Sales	59,945,820	46,504,047
Cost of sales (Schedule F)		
Crops	(22,565,103)	(11,777,221)
Beef cattle	(14,473,492)	(22,035,238)
Milk	(3,323,002)	(1,068,897)
Other	(8,564)	(1,161)
Total cost of sale	(40,370,161)	(34,882,517)
Gross profit	19,575,659	11,621,530
Selling expenses (Schedule H)	(5,677,277)	(3,760,424)
Administrative expenses (Schedule H)	(5,797,957)	(4,347,610)
Net gain on sale of farms	9,872,997	7,657,269
Gain from inventory holding (Schedule F)	1,908,341	8,634,649
Operating income	19,881,763	19,805,414
Financial gain (loss)		
Generated by assets:		
Exchange differences and discounts	10,626,544	(4,720,303)
Interest income	399,182	420,120
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:		
Interest on Notes (Note 7)	6,239,486	7,994,072
Doubtful accounts (Schedule E)		2,826
Tax on banking debits and credits	(1,047,795)	(962,665)
Holding result and operations security stock:		
Gain on sale of Negotiable Notes	14,872,000	68,754,172
Others	1,808,564	126,915
	32,897,981	71,615,137
Generated by liabilities:		
Financial expenses:		
Interest on Convertible Notes (Note 7)	(6,534,054)	(7,419,382)

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Others	(1,782,245)	(1,726,096)
Exchange differences and discounts	(9,141,170)	1,906,481
	(17,457,469)	(7,238,997)
Other income and expenses, net:		
Gains from other fixed assets sales	29,157	40,175
Shareholders Personal asset tax and miscellaneous	(1,352,988)	(3,320,033)
	(1,323,831)	(3,279,858)
Income from controlled and related companies	10,360,623	21,172,218
Management fee (Note 5)	(2,600,512)	(6,905,699)
Net Income before income tax	41,758,555	95,168,215
Income tax expense (Note 6)	(18,381,528)	(33,016,920)
Net income for the period	23,377,027	62,151,295

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

Eduardo S. Elsztain

Chairman

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Statement of Changes in Shareholders' Equity

For the nine-month periods ended March 31, 2006 and 2005

(Notes 1 and 2)

Items	Capital (Note 3)		Shareholders' contributions		Subtotal	Retained earnings		Total as of March 31, 2006	Total as of March 31, 2005
	Common stock Pesos	Treasury stock Pesos	Inflation adjustment of Common stock Pesos	Paid-in capital (1) Pesos		Legal reserve Pesos	Retained earnings Pesos		
Balances at the beginning of the fiscal year	162,784,579		166,218,124	78,175,196	407,177,899	7,692,591	108,200,480	523,070,970	465,168,196
Subscription of incentive plan (Note 12)									240,000
Conversion of Notes in common stock (Note 13)	8,798,601			4,629,165	13,427,766			13,427,766	8,751,779
Exercise of Warrants (Note 13)	4,616,416			4,032,611	8,649,027			8,649,027	10,605,734
Shareholders meeting held on 11.29.05:									
Legal Reserve						3,839,946	(3,839,946)		
Cash dividends							(10,000,000)	(10,000,000)	(3,000,000)
Related companies Law 19,550									
Section 33: IRSA (Note 14)				(5,157,155)	(5,157,155)			(5,157,155)	
Net income for the period							23,377,027	23,377,027	62,151,295
Balances as of March 31, 2006	176,199,596		166,218,124	81,679,817	424,097,537	11,532,537	117,737,561	553,367,635	
Balances as of March 31, 2005	162,534,470		166,218,124	113,918,962	442,671,556	7,692,591	93,552,857		543,917,004

(1) See notes 2 n and 14

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

Eduardo S. Elsztain

Chairman

Table of Contents**Cresud Sociedad Anónima, Comercial,****Inmobiliaria, Financiera y Agropecuaria**

For the nine-month periods ended March 31, 2006 and 2005

	March 31, 2006 (Notes 1 and 2) Pesos	March 31, 2005 (Notes 1 and 2) Pesos
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the fiscal year	66,248,838	12,527,042
Cash and cash equivalents at the end of the period	9,147,913	111,767,020
Net (decrease) increase in cash and cash equivalents	(57,100,925)	99,239,978
Causes of changes in cash and cash equivalents		
Operating activities		
Income for the period	23,377,027	62,151,295
Accrued interest	7,092,959	7,319,715
Income tax	18,381,528	33,016,920
Adjustments made to reach net cash flow from operating activities		
Income from interest in controlled and related companies	(10,360,623)	(21,172,218)
Increase in allowances, provisions and accruals	8,498,343	9,111,032
Depreciation	3,122,307	2,234,423
Gain from inventory holdings	(1,908,341)	(8,634,649)
Financial results	(5,185,619)	(6,981,621)
Gain on sale of Negociable Notes	(14,872,000)	(68,754,172)
Gain from sale of fixed assets	(9,902,154)	(7,697,444)
Changes in operating assets and liabilities		
Decrease in current investments	5,800,768	2,596,816
Decrease (Increase) in trade accounts receivable	2,933,657	(1,752,734)
(Increase) Decrease in other receivables	(2,758,460)	6,466,525
Increase in inventories	(12,669,532)	(12,762,257)
Decrease in social security payable & taxes payable and advances to customers	(25,655,429)	(2,911,877)
Decrease in trade accounts payable	(7,783,438)	(2,536,152)
Dividends collected	988,307	1,011,469
(Decrease) increase in other debts	(1,604,227)	1,670,362
Cash flows applied to operating activities	(22,504,927)	(7,624,567)
Investment activities		
Decrease in non-current investments		93,528,147
Increase in interest in related companies	(2,223,325)	(6,349,709)
Acquisition and upgrading of fixed assets	(48,577,205)	(8,650,536)
Collections of receivables from sale of fixed assets	5,736,964	1,127,138
Sale of fixed assets	9,589,200	8,554,120
Cash flows (applied to) provided by investment activities	(35,474,366)	88,209,160
Financing activities		
Exercise of Warrants	8,649,027	10,605,734
Dividends paid	(10,000,000)	(3,000,000)
Subscription of incentive plan		240,000
Increase in financial loans	33,455,667	44,356,365

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Decrease in financial loans	(14,712,326)	(33,546,714)
(Decrease) in others liabilities	(16,514,000)	
Cash flows provided by financing activities	878,368	18,655,385
Net (decrease) increase in cash and cash equivalents	(57,100,925)	99,239,978
Items not involving changes in cash and cash equivalents		
Transfer of inventory to fixed assets	498,234	646,712
Increase in interest in related companies trough a decrease of non-current investment	15,608,956	
Increase in other receivables by sale of fixed assets	8,572,080	8,077,546
Repayment of financial loans through issue of stock by exercise of conversion right	13,427,766	8,751,779
Increase in fixed assets due to an increase in other debts	7,160,617	
Decrease in other debts through a decrease in fixed assets	2,055,200	
Complementary information		
Interest paid	6,534,054	5,107,038
Income tax paid	27,564,661	244,857

Eduardo S. Elsztain

Chairman

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Cresud Sociedad Anónima, Comercial,

Inmobiliaria, Financiera y Agropecuaria

For the nine-month periods ended March 31, 2006 and 2005

Notes to the Financial Statements

NOTE 1: ACCOUNTING STANDARDS

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

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 F.A.C.P.C.E., as approved, with resolutions issued by the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (C.P.C.E.C.A.B.A.) and the C.N.V.

b. New Accounting Standards

The C.P.C.E.C.A.B.A. enacted the following technical resolutions: No. 16: Conceptual regime for professional accounting regulations ; No. 17: Professional accounting regulations: development of matters of general application , No. 18: Professional accounting regulations: development of some matters of particular application and No. 19 Modifications to technical resolutions No. 6, 8, 9, 11 and 14 and No. 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 periods 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 C.N.V., through Resolution No. 434/03 has adopted such technical resolutions with some exceptions and modifications, which have been in force for fiscal years initiated as from January 1, 2003.

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

As at February 19, 2003, the C.P.C.E.C.A.B.A., enacted Technical Resolution No. 21 Proportional value- consolidation of financial statements-information to provide on related parties through Resolution M.D. No. 5/2003.

The above mentioned Technical Resolution and the amendments introduced became effective for fiscal years ended as from April 1, 2003. Furthermore, The C.N.V. has adopted such Technical Resolution, through Resolution No. 459/04 introducing some modifications, which will be in force for fiscal years started as from April 1, 2004, consequently the Company has considered their application.

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

NOTE 1: (Continued)

On January 12, 2005, the C.P.C.E.C.A.B.A. approved Technical Resolution No. 22, Professional accounting rules: agricultural business under its Resolution M.D. No. 01/2005 effective for fiscal years starting as from July 1, 2005. The C.N.V. adopted such Technical Resolution through its Resolution No. 485 of December 29, 2005, effective for complete or interim periods of fiscal years commencing as from January 1, 2006. In accordance with the Company's evaluation, the application of such resolution will not produce an impact on respect of the valuation of biological assets and it represents an improvement in the exposure. To such extent, production of meat is shown in these financial statements in Schedule F.

On August 10, 2005, the Professional Council in Economic Sciences of the City of Buenos Aires (C.P.C.E.C.A.B.A.) through its Resolution CD 93/2005 approved the consolidation of the professional accounting principles of its jurisdiction with those issued by the Argentine Federation of Professional Councils in Economic Sciences.

For the purpose of such Resolution, the issuance of reports from Certified Public Accountants on Financial Statements, Audit Standards, Statutory Audit Committee Standards and Professional Accounting Principles which are to be applied on a mandatory basis in the City of Buenos Aires, are contained in:

- a) Technical Resolutions 6, 7, 8, 9, 11, 14, 15, 16, 17, 18, 21 and 22 of the Argentine Federation of Professional Councils in Economic Sciences including the changes therein made by such entity up to April 1, 2005;
- b) Resolution No. 287/03 of the Governing Body of such Federation;
- c) Other interpretations of the accounting and audit standards 1, 2, 3 and 4 of such Federation with the changes therein made by such entity up to April 1, 2005

The above-mentioned standards will become effective for complete or interim periods of fiscal years commencing as from January 1, 2006 their anticipated application being admitted, and will substitute those standards contained in Resolutions CD No. 87/2003 and MD No. 1/2005 of the Professional Council of Economic Sciences of the City of Buenos Aires.

On December 29, 2005, through Resolutions 485 and 487, the National Securities Commission (CNV) adopted with certain changes the standards of the C.P.C.E.C.A.B.A. The standards adopted will become effective for the Company on July 1, 2006 (date of beginning of the next fiscal period). The principal change arising from the consolidation of the accounting standards is related to the treatment given to the adjustment for inflation in the calculation of the deferred tax, which can be taken as a temporary difference, according to the Company's criteria. The adjustment for inflation is currently considered as a permanent difference in the calculation of the deferred tax. The Company has decided to maintain this accounting criteria.

Under the dispositions of Resolution 487 of the National Securities Commission (CNV) and according to the Company decision, informed to the CNV by note of March 31, 2006, of including the quantification in a note to the financial statements, we inform that the amount is \$ 60,070,168 as of closing of these financial statements.

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

NOTE 1: (Continued)

The financial statements for the nine-month period ended as of March 31, 2006 and 2005 have not been audited. The Company management estimates that all necessary adjustments are included to reasonably present the income statements accounts of each year. The nine-month periods income statements accounts as of March 31, 2006 and 2005 do not necessarily reflect the proportion of the Company's income statements accounts for the complete periods.

c. Accounting for inflation

The Company's financial statements have been prepared in accordance with Resolution M.D. 3/02 of the C.P.C.E.C.A.B.A., which has established the application of Technical Resolution No. 6, as amended by Technical Resolution No. 19 of the F.A.C.P.C.E., as from fiscal years or interim periods ended on or after March 31, 2002.

On March 25, 2003, the National Executive Power issued Decree No. 664 establishing that financial statements for fiscal years ended as from that date should be stated in nominal currency.

Therefore, in accordance with Resolution No. 441 issued by the C.N.V. 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 C.P.C.E.C.A.B.A., by means of which the restatement of financial statements as of October 1, 2003 is no longer compulsory. However, as of March 31, 2006, this deviation did not have a material effect on the Company's financial statements.

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

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

d. Comparative Information

For comparison purposes certain, reclassifications have been made as of March 31, 2005.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates

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

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**Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)**

NOTE 2: (Continued)

b. Local currency assets and liabilities

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

c. Foreign currency assets and liabilities

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

d. Temporary investments

The units of ownership of common investment funds, the mortgage certificates, nobacs and bonds were valued at quotation value at period-end net of sales expenses. Temporary investments do not exceed their recoverable value at the date of the financial statements.

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. Derivates financial instruments

Futures relate to cereal commitments deliverable at a previously agreed price (see note 4), to dollars commitments with Banco Río and to metals traded in Chicago market.

Premiums collected or paid correspond to options bought or written or bought and are included in Other receivables.

The assets or liabilities originated in derivatives instruments have been valued at their market value at period-end (see Note 4).

Differences generated by the application of the above mentioned valuation criteria to assets and liabilities from derivative instruments corresponding to crops, dollars and metals have been recognized under net income of the period under Cost of sales and under Financial Results in the Income Statement, respectively.

h. Other receivables and payables

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

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

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

NOTE 2: (Continued)

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.

Holding gain on cattle was calculated as the price difference of the heifer kilogram between stocks at beginning and closing of period.

Production of cattle is shown in Schedule F, as mentioned in Note 1.b).

Considering the seasonal nature of agricultural activities, there are no results shown for production of grains to the date of these financial statements.

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

The cost of cereals includes the holding gain of grains.

Production of cereal is shown en Schedule F, as mentioned in Note 1.b.)

3. Sown lands: Sown lands are valued at the replacement cost of the supplies used, plus expenses accrued as of the date of these financial statements.

4. The remaining inventories were valued at replacement value.

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

k. Long term investments in other companies

1. Investments in subsidiaries and affiliates

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The investments in subsidiaries and affiliates in which the Company has significant influence have been accounted for under the equity method, as required by Technical Resolution No. 21 of the F.A.C.P.C.E. approved by C.N.V.

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Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)

NOTE 2: (Continued)

Interests in subsidiaries and affiliates at March 31, 2006 are as follows:

Subsidiaries and affiliates	% Equity interest
Inversiones Ganaderas S.A.	99.99
Agropecuaria Cervera S.A.	90.00
Futuros y Opciones.Com S.A.	70.00
Cactus Argentina S.A.	50.00
Agro Uranga S.A.	35.72
IRSA Inversiones y Representaciones Sociedad Anónima	22.65

Consolidated financial statements with Inversiones Ganaderas S.A., Futuros y Opciones.Com, Agropecuaria Cervera S.A. and Cactus Argentina S.A. in proportional consolidation of 50% at March 31, 2006 and 2005 are presented as complementary information.

2. Goodwill

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

Depreciation was calculated in accordance with the estimated useful life, which was 5 years and has been classified under Gain from controlled and related companies in the statement of income. As of March 31, 2006 the above mentioned goodwill is fully amortized.

The negative goodwill corresponding to the investment in Inversiones y Representaciones S.A. had been valued at cost restated as of February 28, 2003, and calculated as a difference between the market value of such investment and its equity value at the time of changing the March 2002-valuation method, and in each one of the purchases restated, if any, at that same date (Note 1.c).

Depreciation is calculated in accordance with the estimated useful life, which is 20 years and has been classified under Gain from controlled companies and related companies in the statement of income.

Current valuations and economic conditions tend to make less risky any permanent investment opportunity and also help increasing the possibility to obtain significant long-term profits through IRSA shares.

The goodwill of the business (positive) for the purchase of the subsidiary Agropecuaria Cervera S.A. (ACER) has been valued at cost value, which was calculated as a difference between the value paid for such investment and the estimated current value of the assets added. The Company is currently analyzing the current value assigned to the assets acquired in line with the guidelines of Technical Resolution No. 21.

The amortization of the goodwill of ACER will be calculated in accordance with the duration of the project (Note 12), which was established in 35 year's term with an option of 29 additional years. The goodwill of the project will be amortized as from the start.

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

NOTE 2: (Continued)

3. Other Investments

- Investments in debt securities

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

BrasilAgro - Companhia Brasileira de Propiedades Agrícolas (undergoing incorporation process)

The investment in BrasilAgro has been valued at incurred cost as it is currently under capitalization stage.

- Other investments

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

1. Fixed assets

- Purchase value

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

- Depreciation

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

- The carrying value

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

m. Shareholders' equity

Initial balances have been restated in accordance with the criteria set forth in Note 1.c. Movements for the period are recorded at their historical values.

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n. Paid-in capital - Related Companies Law No. 19,550 Section 33

Increases or decreases of the equity value of investments in IRSA Inversiones y Representaciones S.A. and Futuros y Operaciones.Com S.A. generated on the basis of changes in their shareholders' equity, arising from transactions of shareholders different from the Company and its subsidiaries, were included in this caption as established in Technical Resolution 17 of the F.A.C.P.C.E. and Resolution CD 243/01 of the C.P.C.E.C.A.B.A.

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

NOTE 2: (Continued)

o. Results for the period

Charges for assets consumed are calculated considering the values of the assets.

Holding gain and loans of livestock are disclosed in one line in the Income Statement and in Schedule F and is calculated as explained in note 2.j.1.

Cost of sale is calculated by inventory difference and cattle and corns production is disclosed in Schedule F (see notes 2.j.1 and 2.j.2)

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

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

p. Income Tax

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

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

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

q. Tax on minimum presumed income

The Company determines the tax on minimum presumed income applying the prevailing rate of 1% on computable assets at 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 presumed income exceeds the income tax in any period, 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.

r. Revenue recognition

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

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

NOTE 3: COMMON AND TREASURY STOCK

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

	Authorized	Subscribed	Paid in
	Pesos	Pesos	Pesos
Common and treasury stock at June 30, 2003	124,098,095	124,098,095	124,098,095
Incentive Plan (Note 12) - Fiscal Year 2004	332,437	332,437	332,437
Conversion of bonds in common stock (Note 13) - Fiscal Year 2004	13,136,577	13,136,577	13,136,577
Exercise of Warrants (Note 13) - Fiscal Year 2004	12,965,710	12,965,710	12,965,710
Incentive Plan (Note 12) - Fiscal Year 2005	240,000	240,000	240,000
Conversion of bonds in common stock (Note 13) - Fiscal Year 2005	5,918,871	5,918,871	5,918,871
Exercise of Warrants (Note 13) - Fiscal Year 2005	6,092,889	6,092,889	6,092,889
Conversion of bonds in common stock (Note 13) - Fiscal Year 2006-1 st , 2 nd and 3 rd quarter	8,798,601	8,798,601	8,798,601
Exercise of Warrants (Note 13) - Fiscal Year 2005-2006 1 st , 2 nd and 3 rd quarter	4,616,416	4,616,416	4,616,416
Common and treasury stock at 2005	176,199,596	176,199,596	176,199,596

As of March 31, 2006, the capital authorized to be publicly offered is formed of 176,199,596 common, book-entry shares of Ps.1 par value each and entitled to one vote per share, all of which were outstanding.

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Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)

NOTE 4: DERIVATIVE FINANCIAL INSTRUMENTS

At March 31, 2006 the Company had arranged futures and options on the Futures Market as follows:

Cereal	Tons	Margins Ps.	Premium paid or (collected) Ps.	Premium at fair value Ps.	Gain (loss) for valuation at fair value Ps.
<u>Futures</u>					
Purchase					
Corn	14,700	34,070			298,518
Sell					
Corn	2,924	25,553			(24,776)
Soybean	6,600	200,772			12,016
Wheat	1,700	36,200			2,434
U\$\$					(a) 5,554
<u>Options</u>					
Purchase Call					
Corn	6,350		106,470	65,590	(40,880)
Soybean	2,040		9,240	6,271	(2,969)
Wheat	6,800		153,621	98,809	(54,812)
Sell Call					
Corn	11,430		(97,724)	(130,609)	(32,885)
Soybean	16,120	26,316	(393,361)	(188,243)	205,118
Wheat	6,800		(86,697)	(49,405)	37,292
Purchase Put					
Corn	17,780		102,287	51,711	(50,576)
Soybean	25,980	(2,807)	818,024	635,145	(182,879)
Sell Put					
Corn	6,350		(17,111)	(3,802)	13,309
Wheat	6,800		(94,302)	(106,410)	(12,108)
Total	132,374	320,824	500,447	379,057	172,356

(a) Corresponds to 5,048,886 dollars. The gain generated as of March 31, 2006 is included in financial results of the income statement.
Crops:

As of March 31, 2006 and 2005 the Company charged to income Ps. 438,424 (gain) and Ps. 2,924,090 (loss), respectively, to reflect the closing of the transactions carried out during those periods. These results are disclosed under the cost of crops in a line of Schedule F.

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Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)

NOTE 4: (Continued)

At March 31, 2005 the Company had arranged futures and options on the Forward Market as follows:

	Tons	Margins Ps.	Premium paid or (collected) Ps.	Premium at fair value Ps.	Gain (loss) for valuation at fair value Ps.
Cereal					
<u>Futures</u>					
Sell					
Corn	31,750				19,778
Soybean	9,200	264,684			(47,263)
Wheat	3,800	76,528			(14,627)
Purchase					
Silver					(291,781)(a)
<u>Options</u>					
Purchase Call					
Corn	31,750		270,424	151,035	(119,389)
Soybean	11,560		350,437	246,923	(103,514)
Sell Call					
Corn	46,355		(327,385)	(258,017)	69,368
Soybean	28,380	15,205	(563,174)	(470,887)	92,287
Wheat	3,920	24,167	(73,339)	(120,361)	(47,022)
Purchase Put					
Corn	14,605		273,301	300,810	27,509
Soybean	16,820	(115)	783,399	811,001	27,602
Total	198,140	380,469	713,663	660,504	(387,052)

(a) Corresponds to 705,000 troyan ounces. The loss generated as of March 31, 2005 is included in financial results of the Income statement.

NOTE 5: MANAGEMENT AGREEMENT

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

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

Since certain directors of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria are also executive directors and shareholders of Dolphin Fund Management S.A., the above-mentioned agreement was approved by the Extraordinary Shareholders' Meeting

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held on October 25, 1994, in compliance with Section No. 271 of Law No. 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.

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Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)

NOTE 5: (Continued)

The financial statements as of March 31, 2006 and 2005 include a charge in the Statement of Income of Ps. 2,600,512 and Ps. 6,905,699 and a provision of the same amounts as the mentioned dates respectively.

NOTE 6: INCOME TAX DEFERRED TAX

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

- Deferred assets as of March 31, 2006:

	Cumulative tax loss carryforwards	Other	TOTAL
Initial Balance	2,367,216	494,355	2,861,571
Income Tax expense	(364,410)	(454,795)	(819,205)
Closing Balance	2,002,806	39,560	2,042,366

- Deferred liabilities as of March 31, 2006:

	Fixed Assets	Inventories	Investments	Accruals	Others	TOTAL
Initial Balance	(22,615,009)	(14,240,940)	(2,730,064)	(1,271,064)	9,282	(40,847,795)
Income Tax expense	(4,575,451)	(517,132)	(5,419,220)	(283,566)		(10,795,368)
Closing Balance	(27,190,460)	(14,758,072)	(8,149,284)	(1,554,630)	9,282	(51,643,163)

As of March 31, 2006, net liabilities at period-end as per the information included in the preceding tables amount to Ps. 49,600,797.

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

Description	March 31, 2006	March 31, 2005
Net Income before income tax	41,758,555	95,168,215
Tax rate	35%	35%

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Net income at tax rates:	14,615,494	33,308,875
Permanent differences at tax rate:		
Restatement into constant currency	1,583,160	4,066,732
Penalties	1,050	159
Donations	7,827	3,050
Amortization FYO Goodwill		83,465
Gain from purchase and sale of stock		2,398,665
Loss from controlled and related companies	(3,626,218)	(7,410,276)
Personal asset tax	467,200	1,157,197
Conversion of notes in common stock	5,419,175	1,509,585
Miscellaneous permanent differences	(86,160)	(2,100,532)
Income tax expense	18,381,528	33,016,920

During this period the Income Tax rate was 35%.

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Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)

Cumulative tax loss carryforwards recorded by the Company pending utilization at period-end amount to approximately Ps. 2,002,806 and may be offset against taxable income of future periods, as follows:

NOTA 6: (Continued)

Origination year	Amount	Expiration Year
2003	1,839,952	2008
2005	162,854	2010

- Deferred assets as of March 31, 2005:

	Cumulative tax loss carryforwards	Provisions	Others	TOTAL
Initial Balance	2,224,649	20	1,191	2,225,860
Income Tax expense	(20,840)		80,289	59,449
Closing Balance	2,203,809	20	81,480	2,285,309

- Deferred liabilities as of March 31, 2005:

	Fixed Assets	Inventories	Investments	Accruals	TOTAL
Initial Balance	(13,522,161)	(11,545,458)	(1,220,989)	(1,069,822)	(27,358,430)
Income Tax expense	(4,308,268)	(2,535,921)	(1,509,115)	(535,336)	(8,888,640)
Closing Balance	(17,830,429)	(14,081,379)	(2,730,104)	(1,605,158)	(36,247,070)

As of March 31, 2005, the net liability related to the schedule detailed is an amount of Ps. 33,961,761.

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**Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)**

NOTE 7: BALANCES AND RESULTS WITH SUBSIDIARIES, RELATED COMPANIES LAW No. 19,550 SECTION 33 AND RELATED PARTIES:

a. Balances at March 31, 2006 and 2005 and June 30, 2005 with Subsidiaries, related companies and related parties:

	March 31, 2006	June 30, 2005	March 31, 2005
<u>IRSA Inversiones y Representaciones S.A.(3)</u>			
Current Investments			
-Interest of Convertible Bonds 2007-IRSA (U\$S)	2,604,146	1,078,320	3,338,226
Non-Current Investments			
-Convertible Bonds 2007-IRSA (U\$S)	86,166,588	105,487,796	106,583,963
Current other receivables	1,331		
Non-current other receivables	176,656		
Current Trade accounts payable		43,822	159,268
<u>Inversiones Ganaderas S.A.(1)</u>			
Current Trade accounts receivable		30,814	10,348
Non-current other receivables	1,257,743		
Current trade accounts payable	147,642		
Current Other debts		1,605,463	1,630,854
Non-Current Other debts		14,911	203,432
<u>Futuros y opciones.Com S.A.(1)</u>			
Current Trade accounts receivable	757,729	897,389	693,540
Current Other receivables	23,603	23,603	23,603
Current Other debts			102,896
<u>Cactus Argentina S.A.(3)</u>			
Current Trade accounts receivable	38,921	785,849	45,164
Current Other receivables	370,781	332,209	1,363,965
Non-current other receivables	19,628		
Current Trade accounts payable	415,222		413,804
<u>Agro-Uranga S.A.(3)</u>			
Current Other receivables	160,609	39,993	694,981
<u>Fundación IRSA (4)</u>			
Current Trade accounts payable	1,900,000	1,900,000	1,177,988
<u>Inversora Bolívar (4)</u>			
Current Trade accounts payable	105,180	5,445	6,777
<u>Alto Palermo S.A.(4)</u>			
Non-current other receivables	686,996		
Current Trade accounts payable	60,409	193,053	74,664
<u>Alto City com (4)</u>			

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Current Trade Payable	900		298
<u>Agropecuaria Cervera S.A (4)</u>			
Current other receivables	14,398		
Non- current other receivables	364,917		
<u>Consultores Asset Management S.A.(4)</u>			
Management Fees	2,600,513	8,239,263	6,905,699
<u>Credits to employees (4)</u>			
Current credits to Senior management, directors and staff of the company	71,942	29,397	35,114
<u>Estudio Zang, Bergel & Viñes (4)</u>			
Current Trade accounts payable	163,592	21,092	75,154
<u>Directors (4)</u>			
Current other receivables	10,940		
Current trade accounts payable			2,159
Current Loans			
Convertible Bonds 2007 Interest payable (Schedule G)			
Directors	3,130	992	3,049
Non Current Loans			
Convertible Bonds 2007 (Schedule G)			
Directors	103,555	98,100	98,011
Other current debts	32,400	3,393	

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**Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)**

NOTE 7: (Continued)

	March 31, 2006	June 30, 2005	March 31, 2005
<u>Shareholders (2)</u>			
Current Loans			
Convertible Bonds 2007 Interest payable (Schedule G)			
Shareholders	1,715,922	706,891	2,173,764
Non-Current Loans			
Convertible Bonds 2007 (Schedule G)			
Shareholders	56,776,844	69,934,463	69,870,974

-
- (1) Controlled company
 - (2) Shareholder
 - (3) Related company
 - (4) Related party

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Cresud Sociedad Anónima, Comercial,
Inmobiliaria, Financiera y Agropecuaria
Notes to the Financial Statements (Continued)

NOTE 7: (Continued)

b. Gain and losses provided by Subsidiaries, related companies and related parties corresponding to the periods ended at March 31, 2006 and 2005.

Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:

	Year	Sales and Fees for shared services	Interest paid	Salaries	Fees	Livestock expenses	Interest income	Administrative services	Others
Shareholders	2006		(3,375,552)						
	2005		(4,424,774)						
Agro-Uranga S.A.	2006								28,001
	2005								106,780
Alto Palermo S.A.	2006	(464,856)							
	2005	(89,961)							
Consultores Asset Management S.A.	2006								
	2005								
Cactus Argentina S.A.	2006					(2,048,973)	22,134	100,640	6,659
	2005					(3,545,306)	17,101	108,720	28,573
Directors	2006		(6,157)	(2,458,174)	(185,724)				
	2005		(6,207)	(193,269)	(90,169)		13,772		
Estudio Zang, Bergel & Viñes	2006				(201,212)				
	2005				(95,104)				
Fundación IRSA	2006								
	2005								
Futuros y opciones.Com S.A.	2006							123,300	(75,048)
	2005							28,800	(608)
Inversiones Ganaderas S.A.	2006		(121,134)				28,549	52,497	(119,194)
	2005		(92,935)					60,136	132,569
Inversora Bolívar S.A.	2006								(79,569)
	2005								(125,329)
IRSA Inversiones y Representaciones S.A.	2006	(18,640)					6,239,486		
	2005	(104,113)					7,994,072		
Credits to employees	2006						3,038		
	2005						14,793		
Senior Management	2006			(998,015)					

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2005 (864,019)

Total 2006	(483,496)	(3,502,843)	(3,456,189)	(386,936)	(2,048,973)	6,293,207	276,437	(239,151)
Total 2005	(194,074)	(4,523,916)	(1,057,288)	(185,273)	(3,545,306)	8,039,738	197,656	141,985

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Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)

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

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Cash	50,806	25,360	34,138
Foreign currency (Schedule G)	88,912	74,354	75,139
Local currency checking account	439,391	1,728,632	318,678
Foreign currency checking account (Schedule G)	8,182,807	3,854,669	6,282,300
Local currency saving account	28,197	17,505	15,115
Foreign currency saving account (Schedule G)	6,357	8,026,165	11,252,686
Checks to be deposited	304,826	80,587	184,305
	9,101,296	13,807,272	18,162,361

b. Investments and Goodwill

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Investment			
Investment (Schedule C and G)	7,152,314	59,425,172	99,805,081
	7,152,314	59,425,172	99,805,081
Investment			
Investment on controlled and related companies (Schedule C)	341,441,146	306,089,140	318,339,764
	341,441,146	306,089,140	318,339,764
Other investments			
Other investments (Schedule C and G)	86,946,920	105,508,513	106,604,680
	86,946,920	105,508,513	106,604,680
Goodwill			
Goodwill (Schedule C)	(18,694,399)	(30,430,822)	43,320,138

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(18,694,399) (30,430,822) 43,320,138

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

NOTE 8: (Continued)**c. Trade accounts receivable**

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Current			
Accounts receivable in local currency	5,870,446	7,099,969	3,937,855
Less:			
Allowance for doubtful accounts (Schedule E)	(356,214)	(356,214)	(345,709)
Accounts receivable in foreign currency (Schedule G)	161,861	948,593	989,156
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Inversiones Ganaderas S.A.		30,814	10,348
Futuros y Opciones.Com S.A.	757,729	897,389	693,540
Cactus Argentina S.A.	38,921	785,849	45,164
	6,472,743	9,406,400	5,330,354

d. Other receivables

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Current			
Prepaid leases	125,465	6,512,492	165,910
Income tax credit and advances (net of accrual) (1)	7,425,960		
Guarantee deposits and premiums (Schedule G)	1,557,857	2,675,032	1,951,565
Secured by mortgage (Schedule G)	3,141,226	8,217,166	8,164,858
Prepaid expenses	649,087	2,045,319	973,269
Tax prepayments (net of accruals)	2,951,166	1,063,379	2,481,699
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Cactus Argentina S.A. (Schedule G)	370,781	332,209	1,363,965
Futuros y Opciones.Com S.A.	23,603	23,603	23,603
Agropecuaria Cervera S.A.	14,398		
IRSA Inversiones y Representaciones S.A	1,331		
Agro-Uranga S.A.	160,609	39,993	694,981
Credits to employees	71,942	29,397	35,114
Directors	10,940		
Others (Schedule G)	297,991	415,208	215,325

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	16,802,356	21,353,798	16,070,289
Non-current			
Secured by mortgage (Schedule G)	8,254,430		
Tax prepayments	5,672,316	6,328,177	5,080,327
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Inversiones Ganaderas S.A.	1,257,743		
Cactus Argentina S.A.	19,628		
Agropecuaria Cervera S.A	364,917		
Alto Palermo S.A. (Schedule G)	686,996		
IRSA Inversiones y representaciones S.A	176,656		
Prepaid leases		75,915	75,916
Others	98,142		
	16,530,828	6,404,092	5,156,243

(1) Accrual for income tax amounts to Ps 6,605,519 as of March 31, 2006. Comparative figures are presented in Taxes Payable.

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Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)

NOTE 8: (Continued)**e. Inventories**

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Current			
Livestock	12,445,288	13,099,574	12,745,725
Crops	14,800,090	24,930,778	12,077,749
Unharvested crops	18,025,519	826,336	17,777,895
Seeds and fodder	294,515	319,169	500,487
Materials and others	3,074,943	4,024,658	2,579,838
Advances to suppliers	623,214	446,701	576,940
	49,263,569	43,647,216	46,258,634
Non-Current			
Livestock	57,206,925	48,743,639	49,804,357
	57,206,925	48,743,639	49,804,357

f. Trade accounts payable

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Current			
Suppliers in local currency	3,972,974	3,292,862	3,905,339
Suppliers in foreign currency (Schedule G and Note 11) (1)	9,777,918	6,580,931	2,302,374
Interest to be accrued (Schedule G) (2)	(272,250)		
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Inversora Bolívar S.A.	105,180	5,445	6,777
Alto Palermo S.A.	60,409	193,053	74,664
Inversiones Ganaderas S.A	147,642		
Alto City.Com S.A	900		298
IRSA Inversiones y Representaciones S.A.		43,822	159,268
Cactus Argentina S.A.	415,222		413,804
Estudio Zang, Bergel & Viñes	163,592	21,092	75,154
Fundación IRSA	1,900,000	1,900,000	1,177,988

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Directors			2,159
Accrual for other expenses (Schedule G)	4,363,952	4,906,044	2,273,748
Accrual for cereal expenses	652,780	50,461	328,644
	21,288,319	16,993,710	10,720,217

Non-Current

Accrual for other expenses (Schedule G)	981,422		
	981,422		

-
- (1) Includes as of March 31, 2006 U\$S 2,500,000 for the acquisition of farm San Pedro corresponding to suppliers in foreign currency secured by mortgage. See Note 11.
- (2) Corresponds to the liability mentioned in (1).

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**Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)**

NOTE 8: (Continued)**g. Loans**

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Current			
Local financial loans (Note 16)	34,014,572	10,315,556	22,554,698
Convertible Bonds 2007 Interest payable (Schedule G)	1,602,388	476,343	1,468,115
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Shareholders	1,715,992	706,891	2,173,764
Directors	3,130	992	3,049
	37,336,082	11,499,782	26,199,626
Non-Current			
Convertible Bonds 2007 (Schedule G)	53,022,519	45,815,657	47,189,423
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Shareholders	56,776,844	69,934,463	69,870,974
Directors	103,555	98,100	98,011
Convertible Bonds 2007 expenses	(701,821)	(1,154,667)	(1,277,019)
	109,201,097	114,693,553	115,881,389

h. Salaries and social security payable

	March 31, 2006	June 30, 2005 Pesos	March 31, 2005 Pesos
Current			
Accrual for Vacation and statutory annual bonus	912,933	1,288,720	760,536
Social security taxes payable	115,335	185,771	111,169
Salaries payable	13,205	79,095	27,545
Health care payable	11,777	5,129	10,093
Others	5,485	5,932	3,808
	1,058,735	1,564,647	913,151

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**Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)**

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

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Current			
Accrual for income tax		24,772,007	24,289,677
Advances to Income tax		(5,148,500)	(2,651,051)
Property tax payable	213,307	80,510	80,182
Taxes withheld for income tax	23,485	95,772	30,590
Gross sale tax payable	74,957	204,677	71,128
Taxes withheld-Value Added Tax	12,710	36,248	10,032
Others (1)	1,335,539	682	1,614,133
	1,659,998	20,041,396	23,444,691
Non-Current			
Deferred tax	49,600,797	37,987,388	33,961,761
	49,600,797	37,987,388	33,961,761

(1) Includes shareholders personal assets tax.

j. Other debts

	March 31, 2006 Pesos	June 30, 2005 Pesos	March 31, 2005 Pesos
Current			
Security transactions payable (Schedule G)		4,180,593	
Advances from customers in foreign currency (Schedule G)		2,055,200	7,889,200
Management fees accrual (Note 5)	2,600,512	8,239,263	6,905,699
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Inversiones Ganaderas S.A.		1,605,463	1,630,854
Directors	32,400	3,393	
Futuros y Opciones.Com S.A (Note 2.k)			102,896
Others	20,300	20,299	117,500

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2,653,212 16,104,211 16,646,149

Non-current

Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:

Inversiones Ganaderas S.A. 14,911 203,432

14,911 203,432

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Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)

NOTE 9:a) **Assets based on their estimated collection term**

Based on their estimated collection term	Current and non-current Investment			Trade accounts receivable			Other receivables		
	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005
4 th quarter 2005/2004 financial period			3,338,226			5,330,354			3,614,587
1 st quarter 2006/2005 financial period					9,406,400			9,516,252	8,164,858
2 nd quarter 2006/2005 financial period		1,078,320						781,889	442,270
3 rd quarter 2006/2005 financial period								4,108,583	
4 th quarter 2006/2005 financial period	2,604,146			6,472,743			5,482,770		
1 st quarter 2007/2006 financial period							2,713,837		
2 nd quarter 2007/2006 financial period							7,522,095		
3 rd quarter 2007/2006 financial period							427,389		
4 th quarter 2007/2006 financial period							2,944		
1 st quarter 2008/2007 financial period							2,173,398		
2 nd quarter 2008/2007 financial period	86,166,588	105,487,796	106,583,963				2,944		
3 rd quarter 2008/2007 financial period							430,333		
4 th quarter 2008/2007 financial period							2,944		
1 st quarter 2009/2008 financial period							2,173,399		
2 nd quarter 2009/2008 financial period							1,964		
1 st quarter 2010/2009 financial period							1,743,066		
1 st quarter 2011/2010 financial period							1,743,066		
Overdue									
With no stated current term	4,548,168	58,346,852	96,466,855				656,265	6,947,074	3,848,574

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With no stated non-current term	780,332	20,717	20,717				8,256,770	6,404,092	5,156,243
Total	94,099,234	164,933,685	206,409,761	6,472,743	9,406,400	5,330,354	33,333,184	27,757,890	21,226,532

b) Assets classified according to their interest rate

	Current and non-current Investment			Trade accounts receivable			Other receivables		
	June 30,								
Interest rate accrued	March 31, 2006	2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005
At fixed interest rate	86,166,588	105,487,796	106,583,963				11,213,240	8,197,487	8,281,716
At variable interest rate	4,548,168	58,346,852	94,021,531				2,449,378	2,314,696	910,592
Non-interest bearing	3,384,478	1,099,037	5,804,267	6,472,743	9,406,400	5,330,354	19,670,566	17,245,707	12,034,224
Total	94,099,234	164,933,685	206,409,761	6,472,743	9,406,400	5,330,354	33,333,184	27,757,890	21,226,532

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**Cresud Sociedad Anónima, Comercial,
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Notes to the Financial Statements (Continued)**

NOTE 9: (Continued)Liabilities based on their estimated payment term :

Base don their estimated payment term	Trade accounts payable				Loans June 30,		Salaries and social security payable		
	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005
4 th quarter 2005/2004			10,720,217			16,086,293			428,826
1 st quarter 2006/2005		12,685,710			10,315,556	10,113,333		1,564,647	484,325
2 nd quarter 2006/2005		4,308,000			1,184,226				
3 rd quarter 2006/2005									
4 th quarter 2006/2005	14,010,819			3,321,510				295,633	
1 st quarter 2007/2006	7,277,500			13,398,902				588,579	
2 nd quarter 2007/2006									
3 rd quarter 2007/2006								174,524	
4 th quarter 2007/2006									
2 nd quarter 2008/2007				109,201,097	114,693,553	115,881,389			
Overdue									
With no stated current term				20,615,670					
With no stated non-current term	981,422								
Total	22,269,741	16,993,710	10,720,217	146,537,179	126,193,335	142,081,015	1,058,735	1,564,647	913,151

Base don their estimated payment term	Taxes payable				Other debts June 30,		Provisions		
	March 31, 2006	June 30, 2005	March 31, 2005	March 31, 2006	2005	March 31, 2005	March 31, 2006	June 30, 2005	March 31, 2005
4 th quarter 2005/2004			1,806,065			7,023,199			
1 st quarter 2006/2005		417,889			14,498,748	7,889,200			
2 nd quarter 2006/2005		19,623,507	21,638,626		1,605,463	1,630,854			
3 rd quarter 2006/2005									
4 th quarter 2006/2005	1,659,998			2,653,212					
1 st quarter 2007/2006									
2 nd quarter 2007/2006					14,911	203,432			
3 rd quarter 2007/2006									