

CRESUD INC  
Form 6-K  
February 23, 2004

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 6-K**

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

For the month of February, 2004

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

(Exact name of Registrant as specified in its charter)

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**CRESUD INC.**

(Translation of registrant's name into English)

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Republic of Argentina

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(Jurisdiction of incorporation or organization)

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

**Buenos Aires, Argentina**

(Address of principal executive offices)

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Form 20-F       Form 40-F

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

Yes       No

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

**(THE COMPANY )**

**REPORT ON FORM 6-K**

Attached is a copy of the English translation of the Quarterly Financial Statements for the period ended on December 31, 2003 filed with the *Bolsa de Comercio de Buenos Aires* and with the *Comisión Nacional de Valores*.

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

Unaudited Financial Statements  
as at December 31, 2003 and 2002

**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Unaudited Financial Statements**

**Index**

Presentation	
<u>Unaudited Consolidated Balance Sheet</u>	4
<u>Unaudited Consolidated Statement of Income</u>	5
<u>Unaudited Consolidated Statement of Cash Flows</u>	6
<u>Notes to the Unaudited Consolidated Financial Statements</u>	7
Unaudited Consolidated Schedules	
<u>Unaudited Balance Sheet</u>	25
<u>Unaudited Income Statement</u>	26
<u>Unaudited Statement of Changes in Shareholders' Equity</u>	27
<u>Unaudited Statement of Cash Flows</u>	28
<u>Notes to the Unaudited Financial Statements</u>	29
Unaudited Schedules	
<u>Additional Information to the Notes to the Unaudited Financial Statements required by section 68 of the Buenos Aires Stock Exchange Regulations</u>	59
<u>Unaudited Business Highlights</u>	64
Limited Review Report	

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

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

Principal Activity: Agriculture and livestock and real-estate

Financial statements for the period ended December 31, 2003 presented in comparative form with the previous year and with the same period of the previous year Financial period N° 69 started on July 1, 2003

DATES OF REGISTRATION AT THE PUBLIC REGISTRY OF COMMERCE

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

Information on controlled companies in Note 2 consolidated

CAPITAL STATUS ( Note 3 )  
 SHARES

<u>Type of stock</u>	<u>Authorized pesos</u>	<u>Subscribed pesos</u>	<u>Paid-in pesos</u>
Ordinary certified shares of \$1 face value and 1 vote each	146,121,345	146,121,345	146,121,345

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Unaudited Consolidated Balance Sheet at December 31, 2003, June 30, 2003 and December 31, 2002

	June 30, 2003		
	December 31, 2003 (Notes 1, 2 and 3)	(Notes 1, 2 and 3)	December 31, 2002 (Notes 1, 2 and 3)
	Pesos	Pesos	Pesos
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and banks (Note 4.a.)	20,484,256	16,995,803	15,010,411
Investments (Note 4.b.)	1,655,808	5,459,835	16,920,154
Trade accounts receivable (Note 4.c.)	5,056,848	6,899,952	12,975,005
Other receivables and prepaid expenses (Note 4.d.)	10,462,375	6,231,659	2,948,709
Inventories (Note 4.e.)	31,610,262	22,841,977	33,043,800
<b>Total current assets</b>	<b>69,269,549</b>	<b>58,429,226</b>	<b>80,898,079</b>
<b>Non-current assets</b>			
Other receivables and prepaid expenses (Note 4.d.)	1,831,674	542,193	2,479,385
Inventories (Note 4.e.)	39,315,176	37,796,987	38,128,355
Investments (Note 4.b.)	209,140,385	202,321,555	185,127,457
Other investments (Note 4.b.)	146,354,259	139,160,243	163,653,275
Fixed assets, net (Schedule A)	147,358,449	148,510,846	127,304,843
Intangible assets (Schedule B)	123,212	369,637	606,654
<b>Subtotal Non-Current Assets</b>	<b>544,123,155</b>	<b>528,701,461</b>	<b>517,299,969</b>
Goodwill (Note 4.b.)	(19,931,610)	(19,347,598)	(18,852,190)
<b>Total Non-Current Assets</b>	<b>524,191,545</b>	<b>509,353,863</b>	<b>498,447,779</b>
<b>Total Assets</b>	<b>593,461,094</b>	<b>567,783,089</b>	<b>579,345,858</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
<b>Debts:</b>			
Trade accounts payable (Note 4.f.)	6,752,426	7,328,279	16,702,807
Loans (Note 4.g.)	1,383,511	1,425,499	3,444,643
Salaries and social security payable (Note 4.h.)	751,954	1,096,627	280,497

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Taxes payable (Note 4.i.)	1,164,656	1,887,453	3,420,944
Other debts (Note 4.j.)	716,221	3,338,969	3,582,055
<b>Total Debts</b>	<b>10,768,768</b>	<b>15,076,827</b>	<b>27,430,946</b>
<b>Total current liabilities</b>	<b>10,768,768</b>	<b>15,076,827</b>	<b>27,430,946</b>
<b>Non-current liabilities</b>			
Taxes payable (Note 4.i.)	24,181,231	22,749,374	24,599,976
Loans (Note 4.g.)	127,670,143	137,951,054	168,195,964
<b>Total non-current liabilities</b>	<b>151,851,374</b>	<b>160,700,428</b>	<b>192,795,940</b>
<b>Subtotal</b>	<b>162,620,142</b>	<b>175,777,255</b>	<b>220,226,886</b>
Minority interest	104,178	206,709	318,671
<b>SHAREHOLDERS EQUITY</b>	<b>430,736,774</b>	<b>391,799,125</b>	<b>358,800,301</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>593,461,094</b>	<b>567,783,089</b>	<b>579,345,858</b>

The accompanying notes and schedules are an integral part of these complementary information

Saúl Zang

Vice-Chairman

in charge of the Presidency



## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Unaudited Consolidated Statement of Income

For the periods ended December 31, 2003 and 2002

	December 31, 2003 (Notes 1 and 2)	December 31, 2002 (Notes 1 and 2)
	Pesos	Pesos
Sales		
Crops	10,517,868	31,360,919
Beef cattle	11,819,004	7,329,186
Milk	1,831,837	1,114,314
Others	486,798	420,890
<b>Total Sales</b>	<b>24,655,507</b>	<b>40,225,309</b>
Cost of sales (Schedule F)		
Crops	(7,143,937)	(26,266,213)
Beef cattle	(8,887,513)	(1,466,188)
Milk	(396,276)	(725,482)
Others	(671,997)	(674,844)
<b>Total cost of sales</b>	<b>(17,099,723)</b>	<b>(29,132,727)</b>
<b>Gross income</b>	<b>7,555,784</b>	<b>11,092,582</b>
Selling expenses (Schedule H)	(2,192,027)	(2,283,481)
Administrative expenses (Schedule H)	(3,320,012)	(1,656,628)
Net gain on sale of farms	1,669,470	
Gain from inventory holdings (Schedule F)	1,336,662	13,260,418
<b>Operating income</b>	<b>5,049,877</b>	<b>20,412,891</b>
Financial results (Note 4.k.)		
Financial income (loss) generated by assets	13,425,571	(22,974,397)
Financial (loss) income generated by liabilities	(12,713,070)	9,944,829
Other expenses		
Gains from others fixed assets sales	251,561	42,201
Donations		(1,538,628)
Others	1,656	(141,946)
Income from related companies	2,297,495	41,713,655
Management fees (Note 5)	(529,129)	(3,419,171)
<b>Income before income tax and minority interest</b>	<b>7,783,961</b>	<b>44,039,434</b>
Income tax expense	(3,124,337)	(8,047,389)

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Minority interest	102,532	112,129
<b>Net income for the period</b>	<b>4,762,156</b>	<b>36,104,174</b>

The accompanying notes and schedules are an integral part of these complementary information.

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## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

## Unaudited Consolidated Cash Flow Statements

For the periods ended December 31, 2003 and 2002

	December 31, 2003 (Notes 1, 2 and 3)	December 31, 2002 (Notes 1, 2 and 3)
	Pesos	Pesos
<b>Changes in funds</b>		
Funds at the beginning of the period	20,930,230	44,339,538
Funds at the end of the period	20,488,255	31,503,242
Net decrease in funds	(441,975)	(12,836,296)
<b>Causes of changes in funds</b>		
<b><u>Operations activities</u></b>		
Income for the period	4,762,156	36,104,174
Liabilities interest	5,625,120	874,322
Income tax	2,912,584	8,047,389
<b><u>Adjustments made to reach net funds from operations activities</u></b>		
Results from interest in controlled and related companies	(2,297,495)	(41,713,655)
Minority interest	(102,532)	(112,129)
Increase in allowances and reserves	2,306,749	4,591,002
Amortization and depreciation	1,723,557	1,723,926
Results from inventory holdings	(1,336,662)	(13,260,418)
Financial results	(4,677,012)	2,325,931
Result from sale of fixed assets	(1,921,031)	(42,201)
<b><u>Changes in operating assets and liabilities</u></b>		
Increase in current investments	5,707,778	
Decrease in trade accounts receivable	1,843,104	4,288,457
(Increase) decrease in other receivables	(4,687,056)	4,820,375
(Increase) decrease in inventories	(8,987,039)	9,699,801
Decrease in social securities contributions and taxes payable and advances to customers	(3,246,858)	(5,868,542)
Decrease in trade accounts payable	(2,882,602)	(378,415)
Dividends collected	1,104,139	685,411
Decrease in other liabilities	(2,622,748)	(2,190,390)
<b>Net fund (applied to) provided by operations</b>	<b>(6,775,848)</b>	<b>9,595,038</b>
<b><u>Investment activities</u></b>		
Increase in permanent investments	(1,199,672)	(177,691,603)
Increase in interest in related companies	(5,204,531)	(17,184,676)
Acquisition and upgrading of fixed assets	(3,041,923)	(848,727)
Sale of fixed assets	4,675,446	353,630
<b>Net funds applied to investment activities</b>	<b>(4,770,680)</b>	<b>(195,371,376)</b>

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<b><u>Financing activities</u></b>		
Exercise of Warrant	19,258,074	
Dividends paid	(1,500,000)	
Exercise of rights offering on treasury stock	319,437	79,009
Increase in financial loans		180,970,530
Decrease in financial loans	(5,667,108)	(6,587,851)
Issuance expenses of Convertible Bonds	(1,305,850)	(1,521,646)
<b>Net funds provided by financing activities</b>	<b>11,104,553</b>	<b>172,940,042</b>
<b><u>Net decrease in funds</u></b>	<b>(441,975)</b>	<b>(12,836,296)</b>
<b><u>Items not involving changes in funds</u></b>		
Transfer of inventory to fixed assets	37,227	11,771
Repayment of financial loans through issue of stock by exercise of conversion right	16,097,982	

The accompanying notes and schedules are an integral part of these complementary information.

Saúl Zang

Vice-Chairman

in charge of the Presidency

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

**Notes to the Unaudited Consolidated Financial Statements**

For the periods ended December 30, 2003 and 2002

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

As a consequence of the application of General Resolutions No. 368/01, 434/03 and 441/03 of the Argentine Securities and Exchange Commission, which require that consolidated Financial Statements be presented as established by Technical Resolution No. 4 of the Argentine Federation of Professional Councils in Economic Sciences, as amended by Technical Resolution No. 19, the Balance Sheet as of December 31, 2003, June 30, 2003 and December 31, 2002 and the Income Statements and the Statements of Cash Flows for the fiscal periods then ended were consolidated on a line by line basis with the financial statements of such companies in which it holds a majority of the voting shares, by application of the new rules and discontinuation of adjustment for inflation, respectively (see Note 1.b and 1.c to the unaudited basic financial statements).

The Financial Statements of the Subsidiary Companies Inversiones Ganaderas S.A. and Futuros y Opciones.Com S.A. as of December 31, 2003 and 2002 have been used to determine the proportional equity value and carry out the consolidation. For purposes of comparability, reclassifications have been made on the information at December 31, 2002 and June 30, 2003.

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

**NOTE 2: CORPORATE CONTROL**

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

<u>COMPANY</u>	<u>PERCENTAGE OF VOTING SHARES OWNED</u>
Inversiones Ganaderas S.A.	99.99
Futuros y Opciones.Com S.A.	70.00

**NOTE 3: SIGNIFICANT ACCOUNTING POLICIES**

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

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as detailed in Note 2 of the unaudited basic financial statements.

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

### Intangible Assets   Development expenditures

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

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

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

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
Cash	72,003	43,967	94,692
Foreign currency (Schedule G)	36,870	3,239,854	81,853
Patacones currency			1,749
Lecop currency			35
Local currency checking account	1,171,288	645,182	2,229,754
Patacones currency checking account	22	171,891	29,182
Lecop currency checking account		62,532	51,364
Foreign currency checking account (Schedule G)	18,970,354	12,370,530	12,039,377
Local currency saving account	18,541	20,583	3,809
Checks to be deposited	215,178	415,481	455,930
Patacones checks to be deposited		25,783	22,666
	<u>20,484,256</u>	<u>16,995,803</u>	<u>15,010,411</u>

**b. Investments and Goodwill**

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
<b>Investment</b>			
Investment (Schedule C)	1,655,808	5,459,835	16,920,154
	<u>1,655,808</u>	<u>5,459,835</u>	<u>16,920,154</u>
<b>Investment</b>			
Investment from related companies (Schedule C)	209,140,385	202,321,555	185,127,457
	<u>209,140,385</u>	<u>202,321,555</u>	<u>185,127,457</u>

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<b>Other investments</b>			
Other investments (Schedule C)	146,354,259	139,160,243	163,653,275
	<u>146,354,259</u>	<u>139,160,243</u>	<u>163,653,275</u>
<b>Goodwill</b>			
Goodwill (Schedule C)	(19,931,610)	(19,347,598)	(18,852,190)
	<u>(19,931,610)</u>	<u>(19,347,598)</u>	<u>(18,852,190)</u>



## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

**NOTE 4:** (Continued)

## c. Trade accounts receivable

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
<b>Current</b>			
Accounts receivable in local currency	5,297,896	5,345,126	3,536,682
Less:			
Provision for defaulting debtors (Schedule E)	(449,197)	(479,125)	(639,959)
Accounts receivable in foreign currency (Schedule G)	65,242	2,020,242	10,054,177
Subsidiaries and related companies Law 19,550 Article 33: Cactus Argentina S.A.	142,907	13,709	24,105
	<u>5,056,848</u>	<u>6,899,952</u>	<u>12,975,005</u>

## d. Other receivables and prepaid expenses

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
<b>Current</b>			
Other	636,032	267,392	533,010
Prepaid leases	32,016	1,894,560	35,156
Tax on Minimum Hypothetical Income (Note 2.p.)	521		
Guarantee deposits (Schedule G)	1,446,694	682,027	562,488
Secured by mortgage and under legal proceedings (Schedule G)	1,061,931	531,602	580,602
Prepaid expenses	446,759	864,244	343,153
Surety bonds received			377,906
Tax prepayments (net of provisions)	5,044,853	201,559	219,621
Subsidiaries and related companies Law 19,550 Article 33: Cactus Argentina S.A.	1,337,986	1,334,692	296,773
Shareholders	455,583	455,583	
	<u>10,462,375</u>	<u>6,231,659</u>	<u>2,948,709</u>

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<b>Non-current</b>			
Secured by mortgage (Anexo G)	1,008,000	504,192	990,455
Prepaid leases			176,466
Other	8,118	11,427	96,098
Tax on Minimum Hypothetical Income	815,556	26,574	151,566
Subsidiaries and related companies Law 19,550 Article 33:			
Cactus Argentina S.A.			1,064,800
	<u>1,831,674</u>	<u>542,193</u>	<u>2,479,385</u>

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

**NOTE 4:** (Continued)

## e. Inventories

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
<b>Current</b>			
Livestock	15,652,957	13,116,997	15,358,623
Crops	3,782,649	6,301,776	2,491,151
Unharvested crops	9,374,173	1,112,230	10,675,150
Seeds and fodder	139,344	171,486	113,171
Materials and others	1,638,414	1,501,686	2,322,903
Advances to suppliers	1,022,725	637,802	2,082,802
	<u>31,610,262</u>	<u>22,841,977</u>	<u>33,043,800</u>
<b>Non-Current</b>			
Livestock	39,315,176	37,796,987	38,128,355
	<u>39,315,176</u>	<u>37,796,987</u>	<u>38,128,355</u>

## f. Trade accounts payable

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
<b>Current</b>			
Suppliers in local currency	2,693,001	3,759,549	2,454,497
Suppliers in foreign currency (Schedule G)	958,815	436,439	9,388,219
Subsidiaries and related companies Law 19,550 Article 33:			
Cactus Argentina S.A.	448,691	203,335	208,854
Accrual for other expenses (Schedule G)	2,449,997	2,816,293	4,555,578
Accrual for cereal expenses	200,955	108,825	66,770
Accrual for Directors Fees	3,730	41,806	62,177
Advances to Directors	(2,763)	(37,968)	(33,288)
	<u></u>	<u></u>	<u></u>

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	6,752,426	7,328,279	16,702,807
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## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

**NOTE 4:** (Continued)

## g. Loans

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
<b>Current</b>			
Local financial loans (Note 2.f.)			3,090,201
Convertible Bonds 2007 Interest payable (Schedule G)	1,383,511	1,425,499	354,442
	<u>1,383,511</u>	<u>1,425,499</u>	<u>3,444,643</u>
<b>Non Current</b>			
Convertible Bonds 2007 (Schedule G)	129,704,156	139,450,965	169,679,500
Convertible Bonds 2007 expenses	(2,034,013)	(1,499,911)	(1,483,536)
	<u>127,670,143</u>	<u>137,951,054</u>	<u>168,195,964</u>

## h. Salaries and social security payable

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
<b>Current</b>			
Vacation, statutory annual bonus allowance	464,318	859,519	
Social security administration	154,809	138,564	36,225
Salaries payable	125,796	94,607	216,436
Health care scheme	1,979	1,043	15,973
Other	5,052	2,894	11,863
	<u>751,954</u>	<u>1,096,627</u>	<u>280,497</u>

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

**NOTE 4:** (Continued)

## i. Taxes payable

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
<b>Current</b>			
Accrual for income tax	159,348	6,304,357	4,277,280
Advances to Income tax		(4,669,379)	(1,433,611)
Tax on Minimum Hypothetical Income (Note 2.p)	788,336	(124,503)	4,361
Value added tax	7,317	45,164	304,613
Property tax payable	89,746	179,614	218,679
Taxes withheld for income tax	35,059	45,494	23,352
Personal assets tax		148,824	
Sales tax payable	170,066	169,448	15,194
Taxes withheld-Gross sales tax payable	(87,300)	(83,328)	5,432
Taxes withheld-Value added tax payable		(134,693)	
Other	2,084	6,455	5,644
	<u>1,164,656</u>	<u>1,887,453</u>	<u>3,420,944</u>
<b>Non-current</b>			
Deferred tax	24,181,231	22,749,374	24,599,976
	<u>24,181,231</u>	<u>22,749,374</u>	<u>24,599,976</u>

## j. Other debts

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
<b>Current</b>			
Accrual for other expenses (Schedule G)	52,896		
Accrual for Management fees (Note 5)	529,129	3,204,773	3,446,920
Loan to FYO minority shareholders	134,196	134,196	135,135
	<u>716,221</u>	<u>3,338,969</u>	<u>3,582,055</u>



## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

**NOTE 4:** (Continued)

## k. Financial results

	December 31, 2003	December 31, 2002
	Income	Income
	(Loss)	(Loss)
	Pesos	Pesos
	<u>                    </u>	<u>                    </u>
Generated by assets:		
Exchange differences and discounts	8,195,254	(21,071,533)
Interest income	122,512	513,634
Subsidiaries and related companies Law 19,550 Article 33: IRSA Inversiones y Representaciones Sociedad Anónima		197,372
Bad debts (Schedule E)	29,928	
Reference stabilization index (CER)	(302,136)	384,310
Tax on debts and credits	(472,117)	(546,945)
Holding results		(1,405,717)
Holding results and operations of stocks and bonds		
Convertible Bonds purchase interest	5,846,354	172,208
Others	5,776	235,692
Inflation adjustment		(1,453,418)
	<u>13,425,571</u>	<u>(22,974,397)</u>
	<u>                    </u>	<u>                    </u>
	December 31, 2003	December 31, 2002
	Income	Income
	(Loss)	(Loss)
	Pesos	Pesos
	<u>                    </u>	<u>                    </u>
Generated by liabilities:		
Holding results		33,134
Inflation adjustment		1,794,408
Reference stabilization index (CER)		(419,022)
Financial expenses		



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Convertible Bonds issued interest	(5,625,121)	(394,209)
Others	(780,902)	(798,652)
Exchange differences and discounts	(6,307,047)	9,729,170
	<u>(12,713,070)</u>	<u>9,944,829</u>

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

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

**NOTE 5:****ASSETS AND LIABILITIES, CLASSIFIED ACCORDING TO THEIR COLLECTION OR PAYMENT MATURITIES**

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

Based on their estimated collection or payment term	Current and non-current investment			Trade accounts receivable			Other receivables and prepaid expenses		
	December 31,	June 30,	December 31,	December 31,	June 30,	December 31,	December 31,	June 30,	December 31,
	2003	2003	2002	2003	2003	2002	2003	2003	2002
3rd quarter 2003/2002 financial period						12,975,005			2,316,026
4th quarter 2003/2002 financial period			341,810						
1st quarter 2004/2003 financial period		1,422,315			6,874,952			2,471,562	
2nd quarter 2004/2003 financial period								129,130	25,480
3rd quarter 2004/2003 financial period	1,560,891			4,913,228			3,880,877	505,786	495,227
4th quarter 2004/2003 financial period							1,618	250,925	151,566
1st quarter 2005/2004 financial period							1,642		
2nd quarter 2005/2004 financial period							1,667		
3rd quarter 2005/2004 financial period							1,016,118	504,192	495,227
4th quarter 2005/2004 financial period									
1st quarter 2006/2005 financial period									
2nd quarter 2006/2005 financial period									
3rd quarter 2006/2005 financial period									
4th quarter 2006/2005 financial period							781,368		

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1st quarter 2007/2006 financial period									
2nd quarter 2007/2006 financial period									
3rd quarter 2007/2006 financial period									
4th quarter 2007/2006 financial period									
2nd quarter 2008/2007 financial period	146,354,259	139,160,243	163,632,558						
Overdue						25,000			
With no stated term	94,917	4,037,520	16,578,344	143,620			6,610,759	2,912,257	1,944,568
<b>Total</b>	<b>148,010,067</b>	<b>144,620,078</b>	<b>180,552,712</b>	<b>5,056,848</b>	<b>6,899,952</b>	<b>12,975,005</b>	<b>12,294,049</b>	<b>6,773,852</b>	<b>5,428,094</b>

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

Interest rate that they accrued	Current and non-current investment			Trade accounts receivable			Other receivables and prepaid expenses		
	December 31,	June 30,	December 31,	December 31,	June 30,	December 31,	December 31,	June 30,	December 31,
	2003	2003	2002	2003	2003	2002	2003	2003	2002
At fixed interest rate	146,354,259	139,160,243	163,632,558				2,328,050	1,322,687	1,787,924
At variable interest rate	94,917	4,037,520	16,578,344				571,094	277,048	178,153
Non-interest bearing	1,560,891	1,422,315	341,810	5,056,848	6,899,952	12,975,005	9,394,905	5,174,117	3,462,017
<b>Total</b>	<b>148,010,067</b>	<b>144,620,078</b>	<b>180,552,712</b>	<b>5,056,848</b>	<b>6,899,952</b>	<b>12,975,005</b>	<b>12,294,049</b>	<b>6,773,852</b>	<b>5,428,094</b>

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

**NOTE 5:**

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

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

	Trade accounts payable			Loans		Salaries and social security payable			Taxes payable		Other	
	June 30, 2003	December 31, 2002	December 31, 2003	June 30, 2003	December 31, 2002	December 31, 2003	June 30, 2003	December 31, 2002	December 31, 2003	June 30, 2003	December 31, 2002	December 31, 2003
		16,634,934			3,090,201			280,497			3,224,426	
					354,442							
	7,281,456			1,425,499			1,083,306			1,664,184		3,200,000
							13,321		204,794	182,523		
	7,346		1,383,511			751,954			988,183			582,025
									2,795			



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December 31, 2003	June 30, 2003	December 31, 2002	December 31, 2003	June 30, 2003	December 31, 2002	December 31, 2003	June 30, 2003	December 31, 2002	December 31, 2003	June 30, 2003	December 31, 2002	December 31, 2003	June 30, 2003
			127,670,143	137,951,054	170,856,900								
52,426	7,328,279	16,702,807	1,383,511	1,425,499	783,707	751,954	1,096,627	280,497	25,345,887	24,636,827	28,020,920	716,221	3,333,333
52,426	7,328,279	16,702,807	129,053,654	139,376,553	171,640,607	751,954	1,096,627	280,497	25,345,887	24,636,827	28,020,920	716,221	3,333,333

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria y Subsidiaries

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

**NOTE 6: EARNINGS PER SHARE**

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

	<b>December 31, 2003</b>	<b>December 31, 2002</b>
Average appraised stock in circulation	126,260,350	120,204,442
Conversion of debt bonds		
Average appraised diluted ordinary stock	320,747,007	170,507,213
	<b>December 31, 2003</b>	<b>December 31, 2002</b>
Earnings for the calculation of basic earnings per share	4,762,156	36,104,174
Exchange differences	6,351,172	(7,739,972)
Interest	5,625,121	351,978
Income tax	(4,154,514)	2,585,798
Earnings for the calculation of diluted earnings per share	12,583,935	31,301,978
	<b>December 31, 2003</b>	<b>December 31, 2002</b>
BASIC Earnings per share		
Earnings	4,762,156	36,104,174
Number of shares	126,260,350	120,204,442
Earnings per share	0.04	0.30
	<b>December 31, 2003</b>	<b>December 31, 2002</b>

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<hr/>		
DILUTED Earnings per share		
Earnings	12,583,935	31,301,978
Number of shares	320,747,007	170,507,213
	<hr/>	<hr/>
Earnings per share	0.04	0.18
	<hr/>	<hr/>



## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria y Subsidiaries

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

**NOTE 7: DATA PER SEGMENT**

As of December 31, 2003:

Description	Crops	Beed Cattle	Milk	Others	Total
Sales	10,517,868	11,819,004	1,831,837	486,798	24,655,507
Assets	93,874,367	137,075,954	10,086,765	352,424,008	593,461,094
Liabilities	4,063,420	1,783,779	9,024	156,763,919	162,620,142
Fixed asset additions	2,291,544	453,614	66,356	230,409	3,041,923
Depreciation of fixed assets	728,932	582,124	48,862	117,214	1,477,132
Amortization of intangible assets				246,425	246,425
Income from related companies	514,687	218,285	70,977	1,493,546	2,297,495

**NOTE 8: SALE OF FARMS**

On July 29, 2003, Inversiones Ganaderas S.A. sold to Las Rejas S.A. three properties owned by it located in the district of Santo Domingo, department of La Paz, Province of Catamarca, with a total area of 5997 hectares, for an amount of US\$ 430,000, fully paid as of the date of execution of the deed. This sale generated a gain of Ps. 583,406 (Pesos Five hundred and eighty three thousand, four hundred and six).

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

**Unaudited Consolidated Fixed Assets**

For the periods ended December 31, 2003, June 30, 2003 and December 31, 2002

(Notes 1, 2 and 3)

Schedule A

Principal Amount	Depreciation											
	Value at			Value at		Current period			Net carrying		Net carrying	
	the beginning of the period Pesos	Additions and/or transfers Pesos	Deductions and/or transfers Pesos	the end of period Pesos	Rate %	Accumulated at the beginning of the period Pesos	Decrease of the period Pesos	Amount Pesos	Accumulated at the end of period Pesos	Net carrying value at December 31, 2003 Pesos	Net carrying value at June 30, 2003 Pesos	December 31, 2002 Pesos
Real estate	124,332,894	31,513	2,397,543	121,966,864						121,966,864	124,332,894	101,693,198
Wire fences	5,487,465	1,260		5,488,725	3	1,290,600		86,344	1,376,944	4,111,781	4,196,865	4,264,600
Watering troughs	3,677,240			3,677,240	3	852,156		89,483	941,639	2,735,601	2,825,084	2,914,853
Alfalfa fields and meadows	3,358,824	336,084	1,581,013	2,113,895	12-25-50	2,368,752	1,393,201	230,706	1,206,257	907,638	990,072	909,900
Buildings and constructions	5,573,995			5,573,995	2	1,881,588		48,255	1,929,843	3,644,152	3,692,407	3,962,421
Machinery	9,136,628	10,611	424,581	8,722,658	10	5,547,697	333,677	394,654	5,608,674	3,113,984	3,588,931	4,396,698
Vehicles	1,160,475	96,711	112,212	1,144,974	20	732,760	100,559	94,840	727,041	417,933	427,715	417,899
Tools	192,157	4,034	5,917	190,274	10	120,938	4,028	7,183	124,093	66,181	71,219	74,719
Furniture and equipment	1,099,079	3,211		1,102,290	10	701,722		43,298	745,020	357,270	397,357	428,635
Breeding livestock	385,598		251,843	133,755	20	385,598	251,843		133,755			879
Corral and leading lanes	624,985	14,932		639,917	3	109,968		10,402	120,370	519,547	515,017	497,571
Roads	1,364,949			1,364,949	10	717,322		62,463	779,785	585,164	647,627	703,775
Facilities	6,022,694	21,388	5,778	6,038,304	10-20-33	2,848,525		311,642	3,160,167	2,878,137	3,174,169	3,243,014
Computer equipment	1,290,810	20,349		1,311,159	20	966,549		66,397	1,032,946	278,213	324,261	254,804
Planes	10,444		10,444		10	10,444	10,444					
Silo plants	1,166,150			1,166,150	2	252,571		31,465	284,036	882,114	913,579	832,707
Constructions in progress	2,331,204	2,539,057	(5,778)	4,876,039						4,876,039	2,331,204	2,592,516
Advances to suppliers	82,445		64,614	17,831						17,831	82,445	116,654
<b>Total at December 31,</b>	<b>167,298,036</b>	<b>3,079,150</b>	<b>4,848,167</b>	<b>165,529,019</b>		<b>18,787,190</b>	<b>2,093,752</b>	<b>1,477,132</b>	<b>18,170,570</b>	<b>147,358,449</b>		

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2003										
Total at June 30, 2003	145,825,463	31,208,768	9,736,195	167,298,036		17,593,154	1,887,815	3,081,851	18,787,190	148,510,846
Total at December 31, 2002	145,839,547	860,498	1,105,606	145,594,439		17,594,930	794,177	1,488,843	18,289,596	127,304,843

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

**Unaudited Consolidated Intangible Assets**

For the periods ended December 31, 2003, June 30, 2003 and December 31, 2002

(Notes 1, 2, and 3)

Schedule B

Principal Account	Value at the beginning of the period Pesos	Additions Pesos	Deductions Pesos	Value at the end of period Pesos	Amortization		Accumulated at the end of period Pesos	Net carrying value at December 31, 2003 Pesos	Net carrying value at June 30, 2003 Pesos	Net carrying value at December 31, 2002 Pesos	
					Accumulated at the beginning of period Pesos	Current period Rate      Amount					
						%	Pesos				
Development expenditures	1,410,368			1,410,368	1,057,774	33.33	235,062	1,292,836	117,532	352,593	587,713
Brands and patents	18,938			18,938	1,895		11,363	13,258	5,680	17,044	18,941
Total at December 31, 2003	1,429,306			1,429,306	1,059,669		246,425	1,306,094	123,212		
Total at June 30, 2003	1,429,306			1,429,306	587,653		472,016	1,059,669		369,637	
Total at December 31, 2002	1,429,446			1,429,446	587,710		235,082	822,792			606,654

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

**Unaudited Consolidated Investments**

For the periods ended December 31, 2003, June 30, 2003 and December 31, 2002

(Notes 1, 2, and 3)

Schedule C

**INFORMATION ON THE ISSUER**

Type and characteristics of the securities	Amount	Value at December 31, 2003 Pesos	Value at June 30, 2003 Pesos	Value at December 31, 2002 Pesos	Market value	Principal activity	Latest financial statements		
							Capital Pesos	Income for the period Pesos	Shareholders Equity Pesos
<b>Current Investments</b>									
Mutual Funds									
ABN AMRO in pesos			2,888,061						
Fondo Citi Funds in dollars				16,490,032					
Fondo Letes Banco Francés				1,068					
Fondo especial Banco Río in pesos			1,042,426	2,799					
Fondo plazo fijo Banco Río in dollars	1,778	3,999	3,940		2.249156				
Fondo Letes Banco Río				2,946					
		3,999	3,934,427	16,496,845					
<b>Notes and Convertible Bonds</b>									
Convertible Bonds 2007 - IRSA		1,560,891	1,422,315	341,810					
Bonos Global 2010	110,000	90,288	102,463	81,499	0.820800				
Bocon Pro 1	157,647	630	630		0.003996				
		1,651,809	1,525,408	423,309					
Total current investments		1,655,808	5,459,835	16,920,154					

**Non-current investments**

**Related companies Law 19,550. Article 33**

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<b>AGRO-URANGA S.A.</b>					unlisted	Agricultural and livestock	2,500,000	1,981,819	12,447,201
Shares	893,069	4,313,051	4,971,181	4,182,229					
Contribution on account of future subscriptions of shares		7,865	7,865	7,865					
Higher value of property		11,179,150	11,179,150	11,179,150					
		<u>15,500,066</u>	<u>16,158,196</u>	<u>15,369,244</u>					
<b>CACTUS ARGENTINA S.A.</b>					unlisted	Exploitation and administration of agricultural and beef cattle products	1,300,000	389,740	6,145,287
Shares	650,000	937,025	742,155	786,074					
Contribution on account of future subscriptions of shares		2,135,618	2,135,618	2,135,618					
		<u>3,072,643</u>	<u>2,877,773</u>	<u>2,921,692</u>					
<b>IRSA Inversiones y Representaciones S.A.</b>					listed	Real state	229,289,058	32,413,000	872,050,000
Shares	50,106,350	190,567,676	183,285,586	166,836,521					
		<u>190,567,676</u>	<u>183,285,586</u>	<u>166,836,521</u>					
Subtotal		<u>209,140,385</u>	<u>202,321,555</u>	<u>185,127,457</u>					
<b>Other Investments</b>									
Convertible Bonds 2007 -									
IRSA	49,943,188	146,333,542	139,139,526	163,632,558					
Coprolán		20,717	20,717	20,717	unlisted				
Subtotal		<u>146,354,259</u>	<u>139,160,243</u>	<u>163,653,275</u>					
<b>Goodwill</b>									
Goodwill		989,514	1,319,353	1,649,351					
IRSA negative goodwill		(20,921,124)	(20,666,951)	(20,501,541)					
Subtotal		<u>(19,931,610)</u>	<u>(19,347,598)</u>	<u>(18,852,190)</u>					
Total non-current investments		<u>335,563,034</u>	<u>322,134,200</u>	<u>329,928,542</u>					

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

**Unaudited Consolidated Allowances and Provisions**

For the periods ended December 31, 2003, June 30, 2003 and December 31, 2002

(Notes 1, 2, and 3 )

Schedule E

<b>Item</b>	<b>Opening balances</b>	<b>Increases</b>	<b>Deductions (1)</b>	<b>Inflation adjustment</b>	<b>Value at December 31, 2003</b>	<b>Value at June 30, 2003</b>	<b>Value at December 31, 2002</b>
	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>
<b>Deducted from asset</b>							
Defaulting debtors	479,125		(29,928)		449,197	479,125	639,959
Total at December 31, 2003	479,125		(29,928)		449,197		
Total at June 30, 2003	802,934	50,000	(286,146)	(87,663)		479,125	
Total at December 31, 2002	764,859		(79,908)	(44,992)			639,959

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

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

**Unaudited Consolidated Cost of sales**

For the periods ended December 31, 2003 and 2002

(Notes 1, 2, and 3)

Schedule F

	Crops		Beef cattle		Milk		Others		Total	
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos
at the			48,619,300	35,474,964	2,294,684	1,467,703			50,913,984	36,942,667
the	6,301,776	25,224,842							6,301,776	25,224,842
	1,112,230	835,369							1,112,230	835,369
crops			112,517	295,144	58,969	115,446			171,486	410,590
lder	1,222,255	2,749,643			33,362	51,738	246,069	293,406	1,501,686	3,094,787
	8,636,261	28,809,854	48,731,817	35,770,109	2,387,015	1,834,887	246,069	293,406	60,001,162	
ts			1,107,212	12,666,177	229,450	594,241			1,336,662	
s	753,010	(894,855)							753,010	
	(164,529)	(93,190)	(31,252)	(35,157)					(195,781)	
	(35,860)	(11,390)					(1,367)	(381)	(37,227)	
crops	(2,783,694)	(2,613,377)	(149,777)	(236,421)	(204,552)	(124,038)	(283,890)	(250,808)	(3,421,913)	
	11,876,012	12,553,034	139,734	187,178	(139,734)	(187,178)	277,057	291,138	16,817,923	
	3,397,918	3,703,455	6,765,873	3,475,779	933,330	683,699	651,479	583,458	11,748,800	
at the			(51,714,262)	(51,586,417)	(3,253,971)	(1,900,561)			(54,968,133)	(53,486,978)
riod	(3,782,649)	(2,491,151)							(3,782,649)	(2,491,151)



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crops	(9,374,173)	(10,675,150)							(9,374,173)	(10,675,150)	
lder			(62,725)	(62,554)	(76,619)	(50,617)			(139,344)	(113,171)	
	(1,378,359)	(2,021,017)		(23,091)	(42,704)	(36,828)	(217,351)	(241,967)	(1,638,414)	(69,902,713)	(2,322,903)
	<u>7,143,937</u>	<u>26,266,213</u>	<u>8,887,513</u>	<u>1,466,188</u>	<u>396,276</u>	<u>725,482</u>	<u>671,997</u>	<u>674,844</u>		<u>17,099,723</u>	

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

**Unaudited Consolidated Foreign currency assets and liabilities**

For the periods ended December 31, 2003, June 30, 2003 and December 31, 2002

(Notes 1, 2, and 3 )

Schedule G

Item	December 31, 2003			June 30, 2003		December 31, 2002	
	Type and amount of foreign currency	Current exchange rate Pesos	Amount in local currency Pesos	Type and amount of foreign currency	Amount in local currency Pesos	Type and amount of foreign currency	Amount in local currency Pesos
<b>Current Asset</b>							
Cash and banks	US\$ 6,599,731	2.88	19,007,224	US\$ 5,781,624	15,610,384	US\$ 3,681,031	12,121,230
Investments:							
Mutual funds	US\$ 1,389	2.88	3,999	US\$ 1,459	3,938	US\$ 5,007,769	16,490,032
Convertible Bonds 2007 - IRSA	US\$ 541,976	2.88	1,560,891	US\$ 507,970	1,422,315	US\$ 103,802	341,810
Trade accounts receivable							
Accounts receivable	US\$ 22,653	2.88	65,242	US\$ 748,238	2,020,242	US\$ 3,053,299	10,054,177
Other receivables and prepaid expenses:							
Secured by mortgages	US\$ 368,726	2.88	1,061,931	US\$		US\$	
Guarantee deposits	US\$ 502,324	2.88	1,446,694	US\$ 252,603	682,027	US\$ 191,306	562,488
<b>Non-Current Asset</b>							
Other receivables and prepaid expenses:							
Secured by mortgages	US\$ 350,000	2.88	1,008,000	US\$		US\$	
Investments:							
Convertible Bonds 2007 - IRSA	US\$ 49,943,188	2.93	146,333,542	US\$ 49,692,688	139,139,526	US\$ 49,692,688	163,632,558
<b>Total Asset</b>	<b>US\$ 58,329,987</b>		<b>170,487,523</b>	<b>US\$ 56,984,582</b>	<b>158,878,432</b>	<b>US\$ 61,729,895</b>	<b>203,202,295</b>
<b>Current liabilities</b>							
Debts:							
Suppliers	US\$ 327,241	2.93	958,815	US\$ 155,871	436,439	US\$ 2,766,456	9,388,219
Accrual for other expenses	US\$ 155,191	2.93	454,710	US\$ 168,608	472,102	US\$ 687,492	2,333,066
Loans:							
Convertible Bonds 2007	US\$ 472,188	2.93	1,383,511	US\$ 509,107	1,425,499	US\$ 104,445	354,442
<b>Non-current liabilities</b>							

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Loans:

Convertible Bonds 2007	US\$ 44,267,630	2.93	129,704,156	US\$ 49,803,916	139,450,965	US\$ 50,000,000	169,679,500
<b>Total Liabilities</b>	<b>US\$ 45,222,250</b>		<b>132,501,192</b>	<b>US\$ 50,637,502</b>	<b>141,785,005</b>	<b>US\$ 53,558,393</b>	<b>181,755,227</b>

US\$: US dollars

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

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

For the periods ended December 31, 2003 and 2002

(Notes 1, 2, and 3)

Schedule H

Items	Total	Operating Expenses					Expenses		Total December 31, 2002
	December 31, 2003	Beef					Selling	Administrative	
	Pesos	Total	Crops	cattle	Milk	Others			
Directors fees	3,730							3,730	50,747
Fees and payments for services	703,149	174,876	50,788	87,862	4,500	31,726		528,273	461,731
Salaries and wages	3,508,643	1,354,032	260,260	802,487	148,420	142,865	18,210	2,136,401	1,702,099
Social security contributions	438,033	212,803	65,634	105,949	9,037	32,183	3,997	221,233	321,753
Taxes, rates and contributions	219,284	199,550	58,735	112,865	12,388	15,562		19,734	124,377
Gross sales taxes	288,287						288,287		323,627
Office and administrative expenses	145,114	60,939		3,655		57,284		84,175	209,303
Bank commissions and expenses	22,107	16,150	2,988	6,810	163	6,189		5,957	27,935
Depreciation of fixed assets	1,477,132	1,397,490	682,153	576,440	113,200	25,697		79,642	1,488,843
Vehicle and travelling expenses	251,604	161,361	63,699	81,637	8,096	7,929	2,555	87,688	216,428
Spare parts and repairs	521,117	521,117	228,531	249,162	42,362	1,062			331,876
Insurance	161,495	16,378	7,176	7,899	552	751		145,117	179,505
Employees maintenance	79,853	71,853	15,213	50,182	2,929	3,529		8,000	73,217
Amortization of intangible assets	246,425	246,425					246,425		235,082
Livestock expenses	5,110,644	4,455,896		4,455,896			654,748		2,270,505
Dairy farm expenses	584,715	584,715			584,715				476,055
Agricultural expenses	3,040,597	1,833,717	1,833,717				1,206,880		3,553,075
Silo expenses	123,395	123,395	123,395						100,588
Coal expenses	8,060	1,747				1,747	6,313		23,492
Firewood expenses	338						338		11,717
FyO expenses	76,680	65,981				65,981	10,699		28,325
General expenses	250,237	250,175	5,629	225,029	6,968	12,549		62	170,581

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Contributions and services									5,637
Total at December 31, 2003	17,260,639	11,748,600	3,397,918	6,765,873	933,330	651,479	2,192,027	3,320,012	
Total at December 31, 2002		8,446,389	3,703,455	3,475,779	683,699	583,456	2,283,481	1,656,628	12,386,498

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Balance Sheet as at December 31, 2003, June 30, 2003 and December 31, 2002

	December 31, 2003	June 30, 2003	December 31, 2002
	(Notes 1 and 2)	(Notes 1 and 2)	(Notes 1 and 2)
	Pesos	Pesos	Pesos
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and banks (Note 8.a.)	19,903,682	16,804,920	14,725,941
Investments (Note 8.b.)	1,655,808	5,459,835	16,920,154
Trade accounts receivable (Note 8.c.)	3,941,177	6,216,651	12,575,846
Other receivables and prepaid expenses (Note 8.d.)	10,672,132	6,132,962	2,762,359
Inventories (Note 8.e.)	31,429,530	22,086,691	32,781,226
<b>Total Current Assets</b>	<b>67,602,329</b>	<b>56,701,059</b>	<b>79,765,526</b>
<b>Non-Current Assets</b>			
Other receivables and prepaid expenses (Note 8.d.)	1,789,368	504,192	2,327,819
Inventories (Note 8.e.)	35,852,040	34,947,790	34,429,411
Investments (Note 8.b.)	220,366,049	213,361,465	196,486,515
Other investments (Note 8.b.)	146,354,259	139,160,243	163,653,275
Fixed assets, net (Schedule A)	141,427,910	141,882,382	120,588,968
<b>Subtotal Non-Current Assets</b>	<b>545,789,626</b>	<b>529,856,072</b>	<b>517,485,988</b>
Goodwill (Note 8.b.)	(19,931,610)	(19,347,598)	(18,852,190)
<b>Total Non-Current Assets</b>	<b>525,858,016</b>	<b>510,508,474</b>	<b>498,633,798</b>
<b>Total Assets</b>	<b>593,460,345</b>	<b>567,209,533</b>	<b>578,399,324</b>
	<b>December 31, 2003</b>	<b>June 30, 2003</b>	<b>December 31, 2002</b>
	(Notes 1 and 2)	(Notes 1 and 2)	(Notes 1 and 2)
	Pesos	Pesos	Pesos
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
<b>Debts:</b>			
Trade accounts payable (Note 8.f.)	5,995,956	7,225,215	16,474,155
Loans (Note 8.g.)	1,383,511	1,425,499	3,444,643
Salaries and social security payable (Note 8.h.)	689,109	1,052,445	266,528
Taxes payable (Note 8.i.)	959,654	1,769,547	3,207,143
Other debts (Note 8.j.)	2,913,384	4,108,839	4,172,908

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<b>Total Debts</b>	11,941,614	15,581,545	27,565,377
<b>Total Current Liabilities</b>	11,941,614	15,581,545	27,565,377
<b>Non-Current Liabilities</b>			
Taxes payable (Note 8.i.)	23,111,814	21,877,809	23,605,620
Loans (Note 8.g.)	127,670,143	137,951,054	168,195,964
Other debts (Note 8.j.)			232,062
<b>Total Non-Current Liabilities</b>	150,781,957	159,828,863	192,033,646
<b>Total liabilities</b>	162,723,571	175,410,408	219,599,023
<b>SHAREHOLDERS EQUITY</b> (as per corresponding statement)	430,736,774	391,799,125	358,800,301
<b>Total Liabilities and Shareholders Equity</b>	593,460,345	567,209,533	578,399,324

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

Saúl Zang

Vice-Chairman

in charge of the Presidency

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Income Statement

For the periods ended December 31, 2003 and 2002

	December 31, 2003 (Notes 1 and 2)	December 31, 2002 (Notes 1 and 2)
	Pesos	Pesos
Sales		
Crops	10,517,868	31,360,919
Beef cattle	11,071,481	6,541,897
Milk	1,831,837	1,114,314
Other	98,775	37,973
	<u>23,519,961</u>	<u>39,055,103</u>
Total Sales		
Cost of sales (Schedule F)		
Crops	(7,143,937)	(26,266,213)
Beef cattle	(8,386,427)	(955,018)
Milk	(396,276)	(725,482)
Other	(1,418)	(2,671)
	<u>(15,928,058)</u>	<u>(27,949,384)</u>
Total cost of sale		
Gross income	<u>7,591,903</u>	<u>11,105,719</u>
Selling expenses (Schedule H)	(2,102,952)	(2,209,660)
Administrative expenses (Schedule H)	(3,236,153)	(1,600,794)
Net gain on sale of farms	1,085,345	
Gain from inventory holdings (Schedule F)	1,240,082	12,213,955
	<u>4,578,225</u>	<u>19,509,220</u>
Operating income		
Financial Results (Note 8.k.)		
Financial gain (loss) generated by assets	13,414,757	(22,847,520)
Financial (loss) gain generated by liabilities	(12,748,247)	9,891,646
Other expenses:		
Gains from others fixed assets sales	251,561	39,684
Donations		(1,538,628)
Others	1,656	(141,947)
Gain from related companies	2,483,250	41,890,167
Management fees (Note 5)	(529,129)	(3,419,171)
	<u>7,452,073</u>	<u>43,383,451</u>
Income before income tax		
Income tax expense (Note 6)	(2,689,917)	(7,279,277)



<b>Net income for the period</b>	<b>4,762,156</b>	<b>36,104,174</b>
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The accompanying notes and schedules are an integral part of these financial statements.

Saúl Zang  
Vice-Chairman  
in charge of the Presidency

## Cresud Sociedad Anónima,

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Statement of Changes in Shareholders Equity

For the periods ended December 31, 2003 and 2002

(Notes 1 and 2)

Items	Shareholders contributions							Total at December 31, 2003 Pesos	Total at December 31, 2002 Pesos			
	Common stock (Note 3) Pesos	Treasury stock (Note 3) Pesos	Inflation adjustment of Common stock Pesos	Paid-in capital Pesos	Total Pesos	Legal reserve Pesos	Retained earnings Pesos					
	Balances at the beginning of the period	124,098,095	572,437	166,218,124	89,991,775	380,880,431	5,833,163			5,085,531	391,799,125	322,617,118
	Subscription of incentive plan (Note 12)	319,437	(319,437)							319,437	319,437	79,009
Conversion of bonds in common stock (Note 13)	10,902,481			5,195,501	16,097,982			16,097,982				
Exercise of Warrants	10,801,332			8,456,742	19,258,074			19,258,074				
Appropriation of profits resolved by Shareholders Meeting held on October 31, 2003												
Increase in legal reserve						254,277	(254,277)					
Cash dividends							(1,500,000)	(1,500,000)				
Net income for the period							4,762,156	4,762,156	36,104,174			
Balances at December 31, 2003	146,121,345	253,000	166,218,124	103,644,018	416,236,487	6,087,440	8,412,847	430,736,774				
Balances at December 31, 2002	120,227,102	4,057,290	166,239,698	89,791,545	380,315,635	5,833,596	(27,348,930)		358,800,301			

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

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Vice-Chairman

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27

## Cresud Sociedad Anónima

## Comercial, Inmobiliaria, Financiera y Agropecuaria

## Unaudited Cash Flow Statement

For the periods ended December 31, 2003 and 2002

	December 31, 2003 (Notes 1 and 2)	December 31, 2002 (Notes 1 and 2)
	Pesos	Pesos
<b>Changes in funds</b>		
Funds at the beginning of the period	20,739,347	44,184,079
Funds at the end of the period	19,907,681	31,218,772
Net decrease in funds	(831,666)	(12,965,307)
<b>Causes of changes in funds</b>		
<b>Operations activities</b>		
Income for the period	4,762,156	36,104,174
Liabilities interest	5,625,120	874,322
Income tax	2,478,164	7,279,277
<b>Adjustments made to reach net cash flow from operations activities</b>		
Results from interest in controlled and related companies	(2,483,250)	(41,890,167)
Increase in allowances and reserves	2,306,749	4,591,002
Amortization and depreciation	1,358,544	1,409,653
Results from inventory holdings	(1,240,082)	(12,213,955)
Financial results	(4,677,012)	2,177,024
Result from sale of fixed assets	(1,336,906)	(39,684)
<b>Changes in operating assets and liabilities</b>		
Decrease in current investments	5,707,778	
Decrease in trade accounts receivable	486,106	4,368,705
(Increase) decrease in other receivables	(3,119,130)	4,795,316
(Increase) decrease in inventories	(9,044,234)	9,897,184
Decrease in social securities charges & taxes payable and advances to customers	(3,198,756)	(5,887,743)
Decrease in trade accounts payable	(3,536,008)	(526,981)
Dividends collected	1,104,139	685,411
Decrease in other liabilities	(1,195,455)	(2,163,528)
<b>Net funds (applied to) provided by operations</b>	<b>(6,002,077)</b>	<b>9,460,010</b>
<b>Investment activities</b>		
Increase in permanent investments	(1,199,672)	(177,691,603)
Increase in interest in related companies	(5,204,531)	(17,184,676)
Acquisition and upgrading of fixed assets	(3,043,197)	(831,407)
Sale of fixed assets	3,513,258	342,327
<b>Net funds applied to investment activities</b>	<b>(5,934,142)</b>	<b>(195,365,359)</b>

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<b><u>Financing activities</u></b>		
Exercise of Warrants	19,258,074	
Dividends paid	(1,500,000)	
Exercise of rights offering on treasury stock	319,437	79,009
Increase in financial loans		180,970,530
Decrease in financial loans	(5,667,108)	(6,587,851)
Issuance expenses of Convertible Bonds	(1,305,850)	(1,521,646)
	<hr/>	<hr/>
<b>Net funds provided by financing activities</b>	<b>11,104,553</b>	<b>172,940,042</b>
	<hr/>	<hr/>
<b><u>Net decrease in funds</u></b>	<b>(831,666)</b>	<b>(12,965,307)</b>
	<hr/>	<hr/>
<b><u>Items not involving changes in funds</u></b>		
Transfer of inventory to fixed assets	37,227	11,771
Repayment of financial loans through issue of stock by exercise of conversion right	16,097,982	
	<hr/>	<hr/>

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

Saúl Zang

Vice-Chairman

in charge of the Presidency

**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Notes to the Unaudited Financial Statements**

For the periods ended on December 31, 2003 and 2002

**NOTE 1: STANDARDS ACCOUNTING**

a. Presentation standards

These financial statements are stated in Argentine pesos, and have been prepared in accordance with the disclosure and valuation accounting standards contained in the Technical Resolutions issued by the Argentine Federation of Professional Councils in Economic Sciences, as approved, with certain amendments, by the Professional Council of Economic Sciences of the City of Buenos Aires and the Argentine Securities Commission.

b. Accounting for inflation

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

On March 25, 2003, the National Executive Branch issued Decree No. 664 establishing that financial statements for fiscal periods ended as from that date should be stated in nominal currency. Therefore, in accordance with Resolution No. 441 issued by the Argentine Securities and Exchange Commission on April 8, 2003, the Company discontinued restatement of its financial statements effective March 1, 2003. This criteria does not comply with Resolution M.D. 041/2003, enacted by the Professional Council of Economic Sciences of the City of Buenos Aires, by means of which the restatement of financial statements as of October 1, 2003 is no longer compulsory. However, as of December 31, 2003, this deviation did not have a material effect on the Company's financial statements.

As a consequence of the above, the Company's financial statements are presented in constant currency as of February 28, 2003, having considered the accounting measurements restated by the changes in the purchasing power of the currency until interruption of the adjustment and those arising in the period of stability, restated into currency of December 2001.

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

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

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Amounts corresponding to the period ended on December 31, 2002 have been restated at February 28, 2003 for purposes of presentation on a comparative basis.

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

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

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

**NOTE 1:** (Continued)

Financial statements corresponding to the six month economic periods ended prior to December 31, 2003 and 2002 have not been audited yet. The management believes they include all necessary settlements to reasonably show the results of each period. Results for the six month economic periods ended prior to December 31, 2003 and 2002 do not necessarily reflect the proportion of the company's result for such complete periods.

c. New Accounting Standards

The Professional Council of Economic Sciences of the City of Buenos Aires enacted the following technical resolutions: N° 16: Conceptual regime for professional accounting regulations ; N° 17: Professional accounting regulations: development of matters of general application , N° 18: Professional accounting regulations: development of some matters of particular application and N° 19 Modifications to technical resolutions N° 4, 5, 6, 8, 9, 11 and 14 and 20 Derivative instruments and hedging transactions , through Resolutions C 238/01, C 243/01, C 261/01, C 262/01 and C 187/02, respectively; establishing that such technical resolutions and the modifications incorporated, will be in force for fiscal years initiated as from July 1, 2002 (other than Technical Resolution No. 20, which shall become effective for fiscal years beginning as from January 1, 2003).

The Argentine Securities and Exchange Commission, through Resolution N° 434/03 has adopted such technical resolutions with some exceptions and modifications, which will be in force for fiscal years initiated as from January 1, 2003.

Additionally, the Professional Council of Economic Sciences of the City of Buenos Aires, enacted Technical Resolution N° 21 Proportional value- merge of financial statements- information to provide on related parties through Resolution M.D. N° 5/2003. The abovementioned Technical Resolution and amendments were in force for fiscal periods started as from April 1, 2003. However, the Argentine Securities Commission has not adopted such Technical Resolution to the date of presentation of these financial statements.

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

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



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

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

**NOTE 1:** (Continued)

The following table contains changes in comparative Financial Statements:

<u>Description</u>	<u>Effect on results at December 31, 2002 Income (Loss) Pesos</u>
Application of Deferred Tax (vs. Current Tax method)	(2,975,954)
Market value of premiums for forward transactions	(351,228)
Registration in Long Term Investments of Adjustment of Results of Previous Fiscal Periods in related companies	8,625,670
<b>Total</b>	<b>5,298,488</b>

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

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

a. Use of estimates

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

b. Local currency assets and liabilities

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

c. Foreign currency assets and liabilities

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

d. Temporary investments

Mutual funds and notes and convertible bonds are carried at market value as of period-end. Temporary investments do not exceed their recoverable value estimated at fiscal period-end.

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

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

**NOTE 2:** (Continued)

e. Trade accounts receivable and payable

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

f. Credits and loans

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

g. Futures and Options

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

h. Other receivables and payables

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

i. Balances with related parties

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

j. Inventories

1. Livestock for raising and grazing cattle have been stated at their market value at the end of the period, net of estimated selling expenses. The livestock for dairy production and other purposes not related to direct sale over the next 12 months were valued at replacement cost.

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2. Crops: at their quoted market value at the end of the period, less estimated sale expenses.
3. The remaining inventories were valued at replacement value.

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

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

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

**NOTE 2:** (Continued)

k. Long term investments in other companies

1. Investments in subsidiaries and affiliates

The investments in subsidiaries and affiliates in which the Company has significant influence have been accounted for under the equity method, as required by Technical Resolution No. 5 of the Argentine Federation of Professional Councils in Economic Sciences.

Holdings at December 31, 2003 are as follows:

<u>Subsidiaries and affiliates</u>	<u>% Equity interest</u>
Inversiones Ganaderas S.A.	99.99
Futuros y Opciones.Com S.A.	70.00
Cactus Argentina S.A.	50.00
Agro Uranga S.A.	35.72
IRSA Inversiones y Representaciones Sociedad Anónima	21.85

Consolidated financial statements with Inversiones Ganaderas S.A. and Futuros y Opciones.Com S.A. at December 31, 2003, June 30, 2003 and December 31, 2002 are presented as complementary information.

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

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

2. Other Investments

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- Investments in debt securities

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

- Other investments

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

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

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

**NOTE 2:** (Continued)

- Goodwill

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

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

l. Fixed assets

- Purchase value:

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

- Depreciation

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

- The carrying value

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

m. Shareholders equity

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

n. Results for the period

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

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

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

o. Income Tax

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



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

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

**NOTE 2:** (Continued)

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

p. Tax on minimum hypothetical income

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

q. Revenue recognition

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

**NOTE 3: COMMON AND TREASURY STOCK**

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

	<b>Authorized</b>	<b>Subscribed</b>	<b>Paid in</b>
	<b>Pesos</b>	<b>Pesos</b>	<b>Pesos</b>
Common and treasury stock at June 30, 2001 Preferred offering	119,669,749	119,669,749	119,669,749
Fiscal year ended June 30, 2002 Incentive Plan	2,353	2,353	2,353
Fiscal year 02 Incentive Plan	480,000	480,000	480,000
Fiscal year 03	3,559,853	3,559,853	3,559,853

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Conversion of bonds in common stock (Note 13)-Fiscal year 2003	386,140	386,140	386,140
Incentive Plan - Fiscal year 04-1st and 2nd quarter	319,437	319,437	319,437
Conversion of bonds in common stock (Note 13)-Fiscal year 2004-1st and 2nd quarter	10,902,481	10,902,481	10,902,481
Exercise of Warrants (Note13)-Fiscal year 2004-1st and 2nd quarter	10,801,332	10,801,332	10,801,332
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Common and treasury stock at December 31, 2003	146,121,345	146,121,345	146,121,345
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

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

**NOTE 3:** (Continued)

At December 31, 2003 the common and treasury stock consisted of 146,121,345 ordinary book entry shares with a face value of Pesos 1 each entitled to one vote per share, which were available in the market.

**NOTE 4: FUTURES**

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

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

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

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

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

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

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

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

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

**OPTIONS SELL CALL SEASON 2003/2004**

<u>Cereal</u>	<u>Tons</u>	<b>Average price</b>	
		<u>US\$ (1)</u>	<u>Premium</u> US\$
Corn	3,100	100.26	(14,923)

**OPTIONS SELL PUT SEASON 2003/2004**

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

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

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

**NOTE 4:** (Continued)

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

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

At December 31, 2002 the Company had arranged futures and options on the forward market as follows:

**FUTURES C.B.O.T. SEASON 2002/2003**

<u>Cereal</u>	<u>Tons</u>	<u>Average price</u> US\$ (1)	<u>Total amount</u> US\$(2)
Wheat-purchase	1,360	126.03	171,401

**OPTIONS C.B.O.T. PURCHASE CALL SEASON 2002/2003**

<u>Cereal</u>	<u>Tons</u>	<u>Average price</u> US\$ (1)	<u>Premium</u> US\$ (2)
Soybean	5,032	213.12	43,326

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

<u>Cereal</u>	<u>Tons</u>	<u>Average price</u> US\$ (1)	<u>Premium</u> US\$ (2)
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Soybean	5,032	242.51	(18,939)
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**OPTIONS C.B.O.T. SELL PUT SEASON 2002/2003**

<u>Cereal</u>	<u>Tons</u>	<u>Average price</u> <u>US\$ (1)</u>	<u>Premium</u> <u>US\$ (2)</u>
Corn	5,080	109.25	(60,847)

**FUTURES SEASON 2002/2003**

<u>Cereal</u>	<u>Tons</u>	<u>Average price</u> <u>US\$ (1)</u>	<u>Total amount</u> <u>US\$(2)</u>
Soybean-sell	1,000	146.00	146,000
Corn-purchase	3,100	85.08	263,748

**FUTURES SEASON 2003/2004**

<u>Cereal</u>	<u>Tons</u>	<u>Average price</u> <u>US\$ (1)</u>	<u>Total amount</u> <u>US\$(2)</u>
Wheat-sell	200	116.00	23,200

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

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

**NOTE 4:** (Continued)

**OPTIONS PURCHASE CALL SEASON 2002/2003**

<u>Cereal</u>	<u>Tons</u>	Average price	Premium
		<u>US\$ (1)</u>	<u>US\$ (2)</u>
Soybean	900	152.00	3,150
Corn	3,500	92.00	9,695

**OPTIONS SELL CALL SEASON 2002/2003**

<u>Cereal</u>	<u>Tons</u>	Average price	Premium
		<u>US\$ (1)</u>	<u>US\$ (2)</u>
Corn	4,400	88.18	(16,256)

- (1) Strike price without deducting expenses.  
(2) Premiums paid (collected).

**NOTE 5: MANAGEMENT AGREEMENT**

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

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

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

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

The financial statements at December 31, 2003 include an accrual and charge for an amount of Ps. 529,129 for this concept.

**NOTE 6: INCOME TAX DEFERRED TAX**

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



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

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

**NOTE 6:** (Continued)

- Deferred assets:

	<b>Cumulative tax loss</b>			<b>TOTAL</b>
	<b>carryforwards</b>	<b>Provisions</b>	<b>Other</b>	<b>TOTAL</b>
Initial Balance	2,257,115	(6,335)	250,802	2,501,582
Charge to results	66,425	(10,475)	(253,313)	(197,363)
Closing Balance	2,323,540	(16,810)	(2,511)	2,304,219

- Deferred liabilities:

	<b>Fixed Assets</b>	<b>Inventories</b>	<b>Investments</b>	<b>Provisions</b>	<b>TOTAL</b>
Initial Balance	(13,019,043)	(10,355,850)	(2,706)	(1,001,793)	(24,379,392)
Charge to results	(672,657)	(126,038)	2,269	(240,215)	(1,036,641)
Closing Balance	(13,691,700)	(10,481,888)	(437)	(1,242,008)	(25,416,033)

Net liabilities at period-end as per the information included in the preceding tables amount to Ps. 23,111,814.

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

<b>Description</b>	<b>December 31, 2003</b>	<b>December 31, 2002</b>
Income before income tax	7,452,073	43,383,451

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Tax rate	35%	35%
Net results at tax rates:	2,608,226	15,184,208
Permanent differences at tax rate:		
Restatement into constant currency	724,011	6,028,916
Penalties	847	700
Donations	(92,333)	8,088
Amortization FYO Goodwill	55,066	54,489
Result from purchase and sale of stock	244,230	
Loss from related companies	(869,138)	(14,661,558)
Miscellaneous permanent differences	19,008	664,434
	<b>2,689,917</b>	<b>7,279,277</b>

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

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

**NOTE 6:** (Continued)

During this period the Income Tax rate was 35%.

Cumulative tax loss carryforwards recorded by the Company pending utilization at period-end amount to approximately Ps. 2,323,540 and may be offset against taxable income of future fiscal periods, as follows:

<u>Origination year</u>	<u>Amount</u>	<u>Expiration Year</u>
2003	2,323,540	2008

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

As of December 31, 2003 and 2002 the results with Subsidiaries Law 19,550 and related companies are as follows:

	<u>December 31,</u> <u>2003</u>	<u>December 31,</u> <u>2002</u>
<b>Inversiones Ganaderas S.A.</b>		
Interest	(37,562)	46,288
<b>Futuros y Opciones.Com S.A.</b>		
Selling expenses	(18,102)	
Administrative fees	9,600	9,597
<b>Cactus Argentina S.A.</b>		
Interest	4,739	27,002
Livestock expenses	(1,841,345)	(340,664)
Administrative services	48,720	24,001
Others		2,005
<b>Inversiones y Representaciones S.A.</b>		
Interest		197,372
Fees from sharing services	256,000	

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

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

**NOTE 8: Details of balance sheet and income statement accounts**

**a. Cash and banks**

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
Cash	58,924	26,191	68,198
Foreign currency (Schedule G)	36,870	3,239,854	81,853
Patacones currency			1,749
Lecop currency			35
Local currency checking account	675,868	534,711	1,972,171
Patacones currency checking account	22	171,891	29,182
Lecop currency checking account		62,532	51,364
Foreign currency checking account (Schedule G)	18,898,279	12,370,530	12,039,377
Local currency saving account	18,541	6,181	3,416
Checks to be deposited	215,178	367,247	455,930
Patacones checks to be deposited		25,783	22,666
	<u>19,903,682</u>	<u>16,804,920</u>	<u>14,725,941</u>

**b. Investments and Goodwill**

	December 31, 2003	June 30, 2003	December 31, 2002
	Pesos	Pesos	Pesos
<b>Investment</b>			
Investment (Schedule C)	1,655,808	5,459,835	16,920,154
	<u>1,655,808</u>	<u>5,459,835</u>	<u>16,920,154</u>
<b>Investment</b>			
Investment from related companies (Schedule C)	220,366,049	213,361,465	196,486,515
	<u>220,366,049</u>	<u>213,361,465</u>	<u>196,486,515</u>

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<b>Other investments</b>			
Other investments (Schedule C)	146,354,259	139,160,243	163,653,275
	146,354,259	139,160,243	163,653,275
<b>Goodwill</b>			
Goodwill (Schedule C)	(19,931,610)	(19,347,598)	(18,852,190)
	(19,931,610)	(19,347,598)	(18,852,190)

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

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

**NOTE 8:** (Continued)

**c. Trade accounts receivable**

	December 31, 2003 Pesos	June 30, 2003 Pesos	December 31, 2002 Pesos
<b>Current</b>			
Accounts receivable in local currency	4,209,462	4,627,834	3,061,582
Less:			
Provision for defaulting debtors (Schedule E)	(424,197)	(454,125)	(614,784)
	3,785,265	4,173,709	2,446,798
Accounts receivable in foreign currency (Schedule G)	63,648	2,011,421	10,054,177
Subsidiaries and related companies Law 19,550 Article 33:			
Inversiones Ganaderas S.A.	78,555	17,812	50,766
Cactus Argentina S.A.	13,709	13,709	24,105
	3,941,177	6,216,651	12,575,846

**d. Other receivables and prepaid expenses**

	December 31, 2003 Pesos	June 30, 2003 Pesos	December 31, 2002 Pesos