CRESUD INC
Form 6-K
December 06, 2011
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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 December, 2011

CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA FINANCIERA Y AGROPECUARIA

(Exact name of Registrant as specified in its charter)

CRESUD INC.

(Translation of registrant s name into English)

Republic of Argentina

(Jurisdiction of incorporation or organization)

Moreno 877, 23^{rd} Floor, (C1091AAQ)

Buenos Aires, Argentina

(Address of principal executive offices)

Form 20-F x 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 x

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CRESUD S.A.C.I.F. y A

(THE COMPANY)

REPORT ON FORM 6-K

Attached is a copy of the English translation of the Financial Statements for the three-month period ended on September 30, 2011 and on September 30, 2010 filed by the Company with the *Bolsa de Comercio de Buenos* Aires and with the *Comisión Nacional de Valores.*

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria,

Financiera y Agropecuaria

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Corresponding to the three-month periods

ended September 30, 2011 and 2010

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Free translation from the original prepared in Spanish for

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Unaudited Consolidated Financial Statements

corresponding to the three-month periods

ended September 30, 2011 and 2010

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Fiscal year No. 78 started on July 1, 2011

Unaudited Financial Statements for the period ended September 30, 2011

In comparative format with previous fiscal year (Note 1- Consolidated Statements)

(In thousands of pesos)

Legal Address:	Moreno 877, 23rd Floor Ciudad Autónoma de Buenos Aires
Principal Activity:	Agricultural, livestock, and real-state.
Section I.	**DATES OF REGISTRATION AT THE PUBLIC REGISTRY OF COMMERCE**
Of the by-laws:	February 19th, 1937
Of the latest amendment:	July 28th, 2008
Section II.	**Due date:**
Duration of the Company:	June 6th, 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 to be offered publicly	Subscribed	Paid-in
Ordinary certified shares of Ps. 1 face value and 1 vote each	501,562,534	501,562,534	501,562,534

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Consolidated Balance Sheet as of September 30, 2011 and 2010 and June 30, 2011

(in thousands of pesos)

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

	September 30, 2011 (Notes 1 and 2)	June 30, 2011 (Notes 1 and 2)	September 30, 2010 (Notes 1 and 2)
ASSETS			
CURRENT ASSETS			
Cash and banks (Note 4.a.)	339,740	193,949	95,711
Investments (Note 4.b.)	528,011	575,061	539,908
Trade accounts receivable, net (Note 4.c.)	425,002	452,771	265,177
Other receivables (Note 4.d.)	273,199	291,846	195,696
Inventories (Note 4.e.)	735,362	751,961	447,728
Total Current Assets	2,301,314	2,265,588	1,544,220
NON-CURRENT ASSETS			
Trade accounts receivable (Note 4.c.)	63,295	32,699	16,774
Other receivables (Note 4.d.)	392,929	326,625	319,674
Inventories (Note 4.e.)	294,892	357,607	202,490
Investments on equity investees (Note 4.b.)	2,056,545	2,077,219	2,044,240
Other Investments (Note 4.b.)	1,538	1,682	1,257
Property and Equipment, net (Note 4.f.)	5,176,037	5,333,109	3,315,952
Intangible assets, net (Note 4.g.)	86,677	79,945	75,342

	September 30, 2011 (Notes 1 and 2)	June 30, 2011 (Notes 1 and 2)	September 30, 2010 (Notes 1 and 2)
LIABILITIES			
CURRENT LIABILITIES			
Trade accounts payable (Note 4.i.)	405,959	473,229	271,882
Short-term debt (Note 4.j.)	1,389,528	1,316,232	681,973
Salaries and social security payable (Note 4.k.)	58,712	82,877	43,142
Taxes payable (Note 4.l.)	119,881	135,804	78,791
Customers advances (Note 4.m.)	272,070	269,555	226,586
Other liabilities (Note 4.n.)	92,883	81,880	58,674
Provisions for lawsuits and contingencies (Note 4.o.)	4,856	4,615	1,347
Total Current Liabilities	2,343,889	2,364,192	1,362,395
NON-CURRENT LIABILITIES			
Trade accounts payable (Note 4.i.)	13,677	12,145	24,458
Customers advances (Note 4.m.)	96,679	94,244	89,112
Long-term debt (Note 4.j.)	2,302,883	2,086,305	1,594,135
Salaries and social security payable (Note 4.k.)	581	635	
Taxes payable (Note 4.l.)	615,700	579,336	292,019
Other liabilities (Note 4.n.)	32,505	21,624	75,661
Provisions for lawsuits and contingencies (Note 4.o.)	17,892	14,952	9,620
Total Non-Current Liabilities	3,079,917	2,809,241	2,085,005

Subtotal Non-Current Assets	8,071,913	8,208,886	5,975,729	**Total Liabilities**	5,423,806	5,173,433	3,447,400
Goodwill, net (Note 4.h.)	(713,547)	(741,056)	(384,157)	**Minority interest**	2,097,243	2,346,448	1,644,254
Total Non-Current Assets	7,358,366	7,467,830	5,591,572	**SHAREHOLDER´S EQUITY**	2,138,631	2,213,537	2,044,138
Total Assets	9,659,680	9,733,418	7,135,792	**Total Liabilities and Shareholders Equity**	9,659,680	9,733,418	7,135,792

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

Alejandro G Elsztain

Vice president II

acting as President

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statements of Income

Corresponding to the three-month periods beginning on July 1, 2011 and 2010

and ended September 30, 2011 and 2010

(in thousands of pesos)

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

	September 30, 2011	September 30, 2010
Agricultural production income (Note 5)	140,813	35,143
Cost of agricultural production (Note 5)	(122,560)	(35,345)
Production gain (loss) Agricultural business	18,253	(202)
Sales crops, beef cattle, milk and others (Note 5)	257,516	90,580
Sales of farms (Note 5)	66,555	71,096
Cost of sales crops, beef cattle, milk and others (Note 5)	(231,849)	(80,770)
Costs of sales of farm (Note 5)	(32,248)	(21,652)
Sales profit Agricultural business	59,974	59,254
Sales of slaughtering and feed lot (Note 5)	43,729	
Cost of slaughtering and feed lot (Note 5)	(43,886)	
Sales (loss) Slaughtering and feed lot business	(157)	
Sales and development of properties (Note 5)	55,421	10,979
Income from lease and service of offices, shopping centers, hotels, consumer financing and others (Note 5)	288,071	296,298
Cost of sales and development of properties (Note 5)	(49,810)	(5,972)
Costs of lease and service of offices, shopping centers, hotels, consumer financing and others (Note 5)	(82,219)	(100,925)
Sales profit Real estate business	211,463	200,380
Gross profit Agricultural business	78,227	59,052
Gross loss Slaughtering and Feed lot Business	(157)	
Gross profit Real estate business	211,463	200,380
Gross profit	289,533	259,432
Selling expenses (Note 5)	(50,168)	(46,178)
Administrative expenses (Note 5)	(77,852)	(60,206)
Gain from recognition of inventories at net realizable value (Note 5)	13,648	13,453

Unrealized gain (Note 4.p.)	16,514	11,935
Net gain from retained interest in consumer finance trusts (Note 5)		5,213
Operating gain	191,675	183,649
Amortization of goodwill	15,985	9,599
Financial results:		
Generated by assets:		
Exchange gain	10,627	10,277
Interest income (Note 4.q.)	34,247	8,580
Other unrealized loss (Note 4.q.)	(57,388)	(18,055)
Subtotal	(12,514)	802
Generated by liabilities:		
Exchange loss	(59,640)	(12,710)
Loans and convertible notes	(90,829)	(63,220)
Other unrealized (loss) gain (Note 4.q.)	(4,286)	779
Subtotal	(154,755)	(75,151)
Total Financial results	(167,269)	(74,349)
Gain on participation in equity investees	9,120	15,233
Other income and expenses, net (Note 4.r.)	(8,103)	(5,236)
Management fee	(116)	(5,761)
Net income before income tax and minority interest	41,292	123,135
Income tax and minimum presumed income tax	(23,809)	(23,946)
Minority interest	(16,445)	(47,339)
Net income for the period	1,038	51,850
Earnings per share:		
Basic net gain per share (Note 9 to the basic financial statements)	0.0020	0.10
Diluted net gain per share (Note 9 to the basic financial statements)	0.0018	0.09

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

Alejandro G Elsztain
Vice president II

acting as President

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statement of Cash Flow

Corresponding to the three-month periods beginning on July 1, 2011 and 2010

and ended September 30, 2011 and 2010

(in thousands of pesos)

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

	September 30, 2011	September 30, 2010
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	705,544	175,653
Cash and cash equivalents at the end of the period	791,720	503,338
Increase net in cash and cash equivalents	86,176	327,685
Causes of changes in cash and cash equivalents		
Operating activities		
Income for the period	1,038	51,850
Income tax	23,809	23,946
Accrued interest	82,743	44,005
Adjustments made to reach net cash flow from operating activities		
Gain on equity investees	(9,120)	(15,233)
Minority interest	16,445	47,339
Increase in allowances and provisions	12,875	25,272
Depreciation and amortization	58,110	44,978
Unrealized gain on Inventories	(16,514)	(11,935)
Financial results	86,833	45,879
Loss from sales of fixed assets	25,444	13,977
Adjustment valuation to net realizable value in other assets	(13,648)	(13,453)
Amortization of goodwill	(15,985)	(9,599)
Reserve long-term incentive program	2,286	
Gain from sales of intangible assets	(535)	
Changes in operating assets and liabilities		
Increase in trade accounts receivable, leases and services	(5,231)	(62,672)
Increase in other receivables	(34,105)	(91,523)
Decrease (Increase) in inventories	68,312	(21,563)
Increase in intangible assets	(543)	(1,117)
Decrease in social security payables, taxes payable and customers advances	(29,123)	(28,970)
(Decrease) Increase in trade accounts payable	(74,122)	39,578
Increase in other liabilities	18,116	18,907
Cash flows provided by operating activities	197,085	99,666
Investing activities		
Dividends collected	3,070	2,116
Increase in non-current investments	(28,942)	(44,493)
Increase in interest on equity investees	(139,786)	(42,468)

(Outflows) Inflows for the acquisition/sale of shares, net	(6,651)	57,508
Advances for purchase of shares of Arcos del Gourmet S.A.		(29,438)
Payment of financed purchase		(3,950)
Acquisition and upgrading of fixed assets	(58,781)	(25,669)
Acquisition of undeveloped parcels of lands	(243)	(34,932)
(Increase) collection of loans granted		41
Loans granted to related companies Law No. 19,550 Section 33 and related parties	(4,334)	15,362
Cash flows applied to investing activities	(235,667)	(105,923)

Alejandro G Elsztain
Vice president II

acting as President

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statements of Cash Flows (continued)

Corresponding to the three-month periods beginning on July 1, 2011 and 2010

and ended September 30, 2011 and 2010

(in thousands of pesos)

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

	September 30, 2011	September 30, 2010
Financing activities		
Issuance of non-convertible notes	245,807	712,373
Increase in loans	107,516	113,874
Decrease in loans	(125,916)	(430,850)
Decrease in mortgages payable		(25,366)
Payment of financial interest	(95,864)	(36,563)
Contributions from minority shareholders	3,036	474
Canceling financed purchases	(9,821)	
Cash flows provided by financing activities	124,758	333,942
Net increase in cash and cash equivalents	86,176	327,685

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

	September 30, 2011	September 30, 2010
Items not involving changes in cash and cash equivalents		
Inventory transferred to property and equipment	59	290
Increase in property and equipment through an increase in trade accounts payable		5,352
Transitory conversion differences subsidiaries	(69,613)	24,817
Undeveloped parcels of land transferred to inventory		3,030
Increase in inventories through a decrease in property and equipment	5,893	
Issuance of certificates of participation		18,786
Decrease in inventories through a decrease in customers advances		1,920
Increase in related parties interest through a decrease in other receivables		36,036
Decrease in inventories through a decrease in trade accounts payable	11,970	
Increase in inventories through a decrease in trade accounts payable	2,738	
Decrease in intangible assets through a decrease in trade accounts payable	1,153	
Increase in non-current investments through an increase in other liabilities		6,053
Increase in property and equipment through an increase in trade accounts payable	9,469	
Increase in property and equipment a through an increase in loan term debts		53,896
Complementary information		
Income tax paid	1,473	6,857

Alejandro G Elsztain

Vice president II

acting as President

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statements of Cash Flows (continued)

Corresponding to the three-month periods beginning on July 1, 2011 and 2010

and ended September 30, 2011 and 2010

(in thousands of pesos)

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

	September 30, 2011	September 30, 2010
Acquisition of subsidiaries companies/Sale of subsidiaries		
Current investments		125,694
Trade accounts receivables, net	(1,307)	278,805
Other receivables	(2,040)	65,144
Property and equipment, net	(11,885)	2,829
Trade accounts payable	1,577	(204,255)
Advances for customers	97	
Financial Loans		(91,173)
Salaries and social security payables	49	(11,221)
Tax payable	418	(14,654)
Other liabilities	64	(62)
Intangible assets	(9,434)	
Acquired/sold assets that do not affect cash, net value	**(22,461)**	**151,107**
Acquired funds	(691)	
Net value of assets acquired/sold	**(23,152)**	**151,107**
Minority interest	(1,434)	(31,369)
Goodwill generated by the purchase	(11,344)	3,316
Purchase value/sale value of subsidiaries companies	**(35,930)**	**123,054**
Acquired funds	691	(21,252)
Remaining investment		(32,175)
Impairment and sale of investment		(12,119)
Amount founded by sellers	27,050	
Cash in advance	1,538	
Income/loss from sale of companies, net of cash acquired/paid	**(6,651)**	**57,508**

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements

Corresponding to the three-month periods beginning on July 1, 2011 and 2010

and ended September 30, 2011 and 2010

(In thousands of pesos)

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

NOTE 1: BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a. Basis of consolidation

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria (Cresud or the Company) consolidated on a line by line basis the Balance Sheet as of September 30, 2011 and 2010, the Statements of Income and the Statements of Cash Flows for the periods ended as of September 30, 2011 and 2010 with the financial statements of subsidiaries, following procedures established by Technical Resolution No. 21 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE), approved by Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires and Comisión Nacional de Valores.

Significant transactions and balances with subsidiaries have been eliminated from the consolidation.

The financial statements as of September 30, 2011 and 2010 of the subsidiary companies Northagro S.A. (Northagro), Futuros y Opciones.Com S.A. (FyO.Com), Agrotech S.A. (Agrotech), Pluriagro S.A. (Pluriagro), FyO Trading S.A. (FyO Trading), Agropecuaria Acres del Sur S.A. (Acres), Ombú Agropecuaria S.A. (Ombú), Yatay Agropecuaria S.A. (Yatay), Yuchan Agropecuaria S.A. (Yuchan), Helmir S.A. (Helmir) a IRSA Inversiones y Representaciones Sociedad Anónima (IRSA) and the financial statements as of September 30, 2011 of Cactus Argentina S.A. (Cactus), and BrasilAgro-Companhía Brasileira de Propiedades Agrícolas (BrasilAgro) have been used in order to determine line by line consolidation.

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

On December 23, 2010, Cresud made a capital contribution in the amount of Ps. 16 million to Cactus, including additional paid-in capital. As a result of such capital contribution, our shareholdering interest increased to 80% as of December 31, 2010.

As from December 31, 2010, Cresud consolidates its financial statements with those of Cactus, pursuant to the provisions of Accounting Standard Technical Resolution No. 21. Consequently, the consolidated financial statements of the company as of September 30, 2010 do not include information consolidated with Cactus.

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(In thousands of pesos)

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

NOTE 1: (Continued)

During the previous fiscal year, the Company has increased its share in BrasilAgro-Companhía Brasileira de Propiedades Agrícolas to 35.75%. Therefore, as from June 30, 2011, Cresud consolidates its financial statements with those of BrasilAgro, pursuant to the provisions of Accounting Standard Technical Resolution No. 21. Consequently, the consolidated financial statements of the company as of September 30, 2010 do not include information consolidated with BrasilAgro.

On September 13, 2010, Alto Palermo S.A. (APSA) sold its 80% interest in Tarshop S.A. Consequently, the consolidated balance sheet as of its comparative balances does not include Tarshop. However, the statements of income and the statement of cash flows presented comparatively include such company for the two-month period when APSA held control over it. Therefore, the compatibility of consolidated financial statements is affected.

The totals relevant of the Company s consolidated financial statements, assuming the consolidation with BrasilAgro had taken place as of September 30, 2010, are presented for comparative purposes in the following charts. Additionally, below is a summary of the effect the deconsolidation of Tarshop would have had on the statement of income and the statement of cash flows as of that date.

Balance Sheet as of September 30, 2010

Item	Published Financial Statements of Cresud as of September 30, 2010 (in pesos)	BrasilAgro as of September 30, 2010	Financial Statements in the event of consolidation as of September 30, 2010 (in pesos)
Current Assets	1,544,220	608,100	2,152,320
Non-Current Assets	5,591,572	804,501	6,396,073
Total Assets	**7,135,792**	**1,412,601**	**8,548,393**
Current Liabilities	1,362,395	147,906	1,510,301
Non-Current Liabilities	2,085,005	214,199	2,299,204
Total Liabilities	**3,447,400**	**362,105**	**3,809,505**
Minority Interest	1,644,254	1,050,496	2,694,750
Shareholders´ Equity	**2,044,138**		**2,044,138**

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(In thousands of pesos)

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

NOTE 1: (Continued)

Consolidated Income Statement

As of September 30, 2010:

Item	Published Financial Statements of Cresud as of September 30, 2010 (in pesos)	Tarshop S.A. as of September 30, 2010	BrasilAgro as of September 30, 2010	Financial Statements in the event of consolidation as of September 30, 2010 (in pesos)
Production (loss) gain Agricultural business	(202)		220	18
Sales profit Agricultural business	59,254		3,930	63,184
Sales profit Real estate business	200,380	(35,855)		164,525
Gross profit	**259,432**	**(35,855)**	**4,150**	**227,727**
Operative result	183,649	(18,120)	(5,273)	160,256
Net income for the period	**51,850**		**1,462**	**53,312**

Statement of Cash Flow

As of September 30, 2010:

Item	Published Financial Statements of Cresud as of September 30, 2010 (in pesos)	Tarshop S.A. as of September 30, 2010	BrasilAgro as of September 30, 2010	Financial Statements in the event of consolidation as of September 30, 2010 (in pesos)
Net Cash flows provided by operating activities	29,397	22,002	(42,257)	9,142
Net Cash flows used in investing activities	(40,476)	101	11,068	(29,307)
Net Cash flows provided by financing activities	338,764	(28,553)	30,607	340,818

Comparative information

Certain reclassifications have been made on the Financial Statements as of June 30, 2011 and September 30, 2010 and originally issued for the purpose of your presentation with comparative figures as of September 30, 2011.

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(In thousands of pesos)

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

NOTE 2: CORPORATE CONTROL

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

Company	Consolidated direct and indirect percentage of voting shares owned		
	09.30.2011	06.30.2011	09.30.2010
IRSA	63.22	57.70(3)	57.49(5)
FyO.Com	65.85	65.85	65.85
FyO Trading	67.09(1)	67.09(1)	67.09(1)
Agrology (6)		100.00	100.00
Agrotech	100.00	100.00(4)	100.00(4)
Pluriagro	100.00	100.00(4)	100.00(4)
Northagro	100.00	100.00(4)	100.00(4)
Cactus	80.00	80.00	48.00
Exportaciones Agroindustriales Argentinas S.A. (EAASA)	79.98(2)	79.98(2)	48.00
Helmir S.A.	100.00	100.00	100.00
Agropecuaria Acres del Sud S.A.	100.00	100.00	100.00
Ombú Agropecuaria S.A.	100.00	100.00	100.00
Yatay Agropecuaria S.A.	100.00	100.00	100.00
Yuchán Agropecuaria S.A.	100.00	100.00	100.00
BrasilAgro	35.75	35.75	23.24

(1) Includes interests of 63.46% of FyO Com.
(2) Includes interests of 99.97% of Cactus.
(3) Includes interests of 7.10% of Agrology.
(4) Includes interests of 3% of Agrology.
(5) Includes interests of 6.89% of Agrology.
(6) Merged with Cresud as of 07/01/2011. See Note 14 of the Basic Financial Statements.

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(In thousands of pesos)

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the Subsidiaries mentioned in Note 2 have been prepared based on accounting principles consistent with those followed by the Company for the preparation of its financial statements (See Note 2 of the basic financial statements).

High relevant valuation and disclosure criteria applied in preparing the financial statements of consolidated companies and not explained in the valuation criteria note of the holding company are as follows:

a. Inventories

Slaughtering business

Slaughtering and meat processing in cold chambers

They are stated at their net realizable value, net of any additional selling costs.

Real Estate Business

A property is classified as inventories upon determination by the Board of Directors that the property is to be marketed for sale in the normal course of business over the next several years.

Properties classified as inventories have been valued at acquisition or construction cost restated as mentioned in Note 1.b. to the basic financial statements or estimated market value, whichever is lower. Costs include land and land improvements, direct construction costs, construction overhead costs, financial costs and real estate taxes.

Inventories on which advance payments that establish price have been received, and the operation s contract terms and conditions assure that the sale will be effectively accomplished and that the income will be realized, are valued at net realizable value. Profits arising from such valuation are shown in the Gain from valuation of assets at net realizable value caption of the Statements of Income.

Properties held for sale are classified as current or non-current based on the estimated date of sale and the time at which the related receivable is expected to be collected by the Company.

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(In thousands of pesos)

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

NOTE 3: (Continued)

The amount recorded in inventories, net of allowances set up, does not exceed their estimated recoverable value at the end of the period/fiscal year.

Property units to receive

IRSA has rights to receive certain property units to be built. The units have been valued according to the accounting measuring standards corresponding to inventories receivables (the price established in the deed or net realizable value, as applicable) and there have been disclosed under Inventories .

b. Non-current investments

Real Estate Business
Investments on controlled and related companies and other non-current investment

Those interests held in entities over which the Company does not exert control, joint control or significant influence have been measured for accounting purposes at cost plus any declared dividends

Given the sale of 80% of Tarshop S.A. s shares described in Note 8 B.2.a, as of the date of issuance of these unaudited financial statements, APSA maintains a 20% investment in Tarshop S.A. that is valued by the equity method due to the existence of influence by the group of companies on Tarshop S.A.´s decision and the intention to keep it as a long-term investment.

The equity investments in TGLT S.A. and Hersha Hospitality Trust were valued at their acquisition cost.

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(In thousands of pesos)

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NOTE 3: (Continued)

Banco Hipotecario S.A. and Banco de Crédito & Securitización S.A.:

The Financial Statements of Banco Hipotecario S.A. and Banco de Credito & Securitización S.A. are prepared in accordance with the Central Bank of the Argentine Republic (BCRA) standards. For the purpose of the valuation of the investment in IRSA, adjustments necessary to adequate the financial statements to the professional accounting standards have been considered.

In accordance with the regulations of the BCRA, there are certain restrictions on the distribution of profits by Banco Hipotecario S.A. to IRSA.

Tyrus S.A. and Torodur S.A.:

Foreign permanent investments held by IRSA through Tyrus S.A. in the Oriental Republic of Uruguay have been classified as integrated and non-integrated with IRSA s transactions, considering the features of the mentioned investments and their transactions. Investment in Torodur S.A. has been classified as integrated considering the features of its investments and transactions.

Tyrus s and Torodur s assets and liabilities were converted into Pesos at the exchange rate in force at the closing of the fiscal period / year. The Statement of Income accounts have been converted into Pesos at the exchange rates in force at the time of each transaction. Foreign exchange gains/losses arising from the conversion have been charged to the Shareholders equity caption, in the line Translation differences .

Undeveloped parcels of lands:

IRSA acquires undeveloped land in order to provide an adequate and well-located supply for its residential and office building operations. IRSA s strategy for land acquisition and development is dictated by specific market conditions where conducts its operations.

Land held for development and sale and improvements are stated at cost restated as mentioned in Note 1.b. to the basic financial statements or market value, whichever is lower.

Land and land improvements are transferred to inventories or fixed assets when their trade is decided or commences its construction.

The obtained values do not exceed their respective estimated recoverable values at the end of the period / year.

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NOTE 3: (Continued)

c. **Property and equipment, net**

Real Estate Business

Property and equipment comprise primarily of rental properties and other properties and equipment held for use by IRSA.

Property and equipment value, net of allowances set up, does not exceed estimated recoverable value at the end of the period / year.

Rental properties

Rental properties are carried at acquisition and/or construction cost, restated as mentioned in Note 1.b. to the basic financial statements, less accumulated depreciation and allowance for impairment at the end of the period / year. IRSA capitalizes the financial accrued costs associated with long-term construction projects.

Accumulated depreciation had been computed under the straight-line method over the estimated useful lives of each asset, applying annual rates in order to extinguish their values at the end of its useful life.

IRSA has allowances for impairment of certain rental properties.

Significant renewals and improvements, which improve or extend the useful life of the asset are capitalized and depreciated over its estimated remaining useful life. At the time depreciable assets are retired or otherwise disposed of, the cost and the accumulated depreciation of the assets are eliminated from the accounts and the resulting gain or loss is disclosed in the Statement of Income.

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NOTE 3: (Continued)

d. Intangible assets:

Real Estate Business

Intangible assets are carried at restated cost as mentioned in Note 1.b. to the basic financial statements, less accumulated amortization and corresponding allowances for impairment in value, if it applicable. Included in the Intangible assets caption are the following:

Concession

Intangible assets include Arcos del Gourmet S.A.´s concession right, which will be amortized over the life of the concession agreement once it opens to the public.

Trademarks

Trademarks include the expenses and fees related to their registration.

Pre-operating expenses and organizational

Those expenses were amortized by the straight-line method in 3 years, beginning as from the date of opening.

The value of the intangible assets does not exceed their estimated recoverable value at the end of the period / year.

Non-Compete Agreement

These expenses were amortized by the straight-line method in 28 months period starting upon from December 1st, 2009.

Under of the agreement executed with Banco Hipotecario S.A. for the sale of Tarshop S.A. s shares, APSA has signed a non-compete agreement in favor of BHSA and has thus has written off this intangible asset.

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NOTE 3: (Continued)

e. Customer advances

Real Estate Business

Customer advances represent payments received in connection with the sale and rent of properties and has been valued according to the amount of money received.

f. Allowances

Real Estate Business

Allowance for doubtful accounts: See Note 2 n. to the basic financial statements.

For impairment of assets: IRSA regularly asses its non-current assets for recoverability at the end of every period / year.

IRSA has estimated the recoverable value of rental properties based on their economic use value, which is determined based on estimated future cash flows discounted. For the rest of the assets (inventories and undeveloped parcels of land) IRSA makes a comparison with market values based on values of comparable properties. If the recoverable value of assets, which had been impaired in prior years, increases, IRSA records the corresponding reversals of impairment loss as required by accounting standards.

For lawsuits: See Note 2 n. to the basic financial statements.

As the scope of the liabilities becomes better defined, there may be changes in the estimates of future costs, which could have an effect on IRSA s future results of operations and financial condition or liquidity.

At the date of issuance of these financial statements, IRSA s Management understands that there are no elements to foresee other potential contingencies having a negative impact on these financial statements.

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NOTE 3: (Continued)

g. Liabilities in kind related to barter transactions

Real Estate Business

Liabilities in kind corresponding to obligations to deliver units to be built are valued considering the value of the assets received or the cost of construction of the units to deliver plus necessary additional costs to transfer the assets to the creditor, the largest, thus reducing its value pro rata the units that are granted notarial titled deed. Liabilities in kind have been shown in the Trade account payables .

h. Revenue recognition

Real Estate Business

1) Revenue recognition of IRSA

Sales of properties

IRSA records revenue from the sale of properties when all of the following criteria are met:

The sale has been consummated.

There is sufficient evidence to demonstrate the buyer s ability and commitment to pay for the property.

The Company s receivable is not subject to future subordination.

The Company has transferred the property to the buyer.

The Company uses the percentage-of-completion method of accounting with respect to sales of development properties under construction. Under this method, revenue is recognized based on the ratio of costs incurred to total estimated costs according to budgeted costs. The Company does not recognize results until construction activities have begun. The percentage-of-completion method of accounting requires the Company s Management to prepare budgeted costs in connection with sales of properties/units. All changes to estimated costs of completion are incorporated into revised estimates during the contract period.

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NOTE 3: (Continued)

Revenues from leases

Revenues from leases are recognized considering its term and conditions and over the life of the related lease contracts.

Hotel operations

IRSA recognizes revenues from its rooms, catering and restaurant facilities as accrued on the close of each business day.

Net operating results from each business unit are disclosed in Note 5.

2) Revenue recognition of Alto Palermo S.A. (APSA)

Revenues for admission rights and rental of stores and stands

Leases with tenants are accounted for as operating leases. Tenants are generally charged a rent, which consists of the higher of: (i) a monthly base rent (the Base Rent) and (ii) a specified percentage of the tenant s monthly revenues (the Percentage Rent) (which generally ranges between 4% and 10% of tenant s gross revenues).

Furthermore, pursuant to the rent escalation clause in most leases, a tenant s Base Rent generally increases between 7% and 12% each year during the term of the lease. Minimum rental income is recognized following on the accrued criteria.

Certain lease agreements contain provisions, which provide for rents based on a percentage of revenues or based on a percentage of revenues volume above a specified threshold. APSA determines the compliance with specific targets and calculates the additional rent on a monthly basis as provided in the contracts. Thus, these contingent rents are not recognized until the required thresholds are exceeded.

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NOTE 3: (Continued)

Generally, APSA s lease agreements vary from 36 to 120 months. Law No. 24,808 provides that tenants may rescind commercial lease agreements after the initial six months, upon not less than 60 days written notice, subject to penalties which vary from one to one and a half months rent if the tenant rescinds after the first year of its lease, and one month of rent if the tenant rescinds after the first year of its lease.

Additionally, APSA charges its tenants monthly administration fees related to the administration and maintenance of the common area and the administration of contributions made by tenants to finance promotional efforts for the overall shopping centers operations. The administration fees are prorated among the tenants according to their leases which vary from shopping center to shopping center. Administration fees are recognized monthly when earned.

In addition to rent, tenants are generally charged admission rights , a non-refundable admission fee that tenants may be required to pay upon entering into a lease or upon lease renewal. Admission right is normally paid in one lump sum or in a small number of monthly installments. Admission rights are recognized in earnings using the straight-line method over the life of the respective lease agreements.

Credit card operations Consumer Financing

Revenues derived from credit card transactions consist of commissions, financing income, charges to clients for life and disability insurance and for statements of account, among other. Commissions are recognized at the time the merchants transactions are processed, while the rest financial income is recognized when accrued. Income generated from granting consumer loans mainly includes financial interests, which are recognized by the accrued method during the fiscal period / year whether collection has or has not been made.

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NOTE 3: (Continued)

Lease agent operations

Fibesa S.A., company in which APSA has an interest of 99.9996%, acts as the leasing agent for APSA bringing together the Company and potential lessees for the retail space available in certain of APSA s shopping centers. Fibesa S.A. s revenues are derived primarily from collected commissions calculated as a percentage of the final rental income value, admission´s rights and commissions for rental of advertising space. Revenues are recognized at the time that the transaction is successfully concluded.

i. Employee Benefits

Agricultural business

1. Share-based payments award plan

BrasilAgro has a share-based payments award plan, settled in shares, by means of which the Company receives employees services as consideration for equity instruments of the Company (options). The fair value of the employees services, received as consideration for the options granted, is charged to expenses. The total value to be debited is measured by reference to the fair value of the options granted. Vesting conditions are not taken into account (such as profitability, sale increase targets and completion of a specified period of service). Vesting conditions (other than market conditions) are taken into account by adjusting the number of options included in the measurement of the transaction amount. The total expense is recorded in the period in which the options vest; period in which the vesting conditions shall be met. At fiscal year-end, BrasilAgro revises its estimates of the amount of options vested (other than market conditions). It records the effect of the revision of the initial estimates, if any, under the statement of income, with the corresponding adjustment to Equity.

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NOTE 3: (Continued)

Consideration received, net of any directly attributable transaction cost, are credited from the capital stock (nominal value) and the share premium, if applicable, when the options are exercised.

Social contributions to be paid, related to the concession of the award options are considerated as part of the concession, and the corresponding collection will be treated as a transaction liquidated in cash.

2. Employee benefits. Profit-sharing in BrasilAgro

Profit-sharing is usually booked as of fiscal period / year-end, since BrasilAgro can measure them in a reliable way.

NOTE 4: Details of consolidated balance sheet and consolidated statement of income accounts

As of September 30, 2011 and 2010 and June, 30 2011, the principal items of the financial statements are as follows:

a. Cash and banks

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Cash	2,419	2,101	2,459
Foreign currency	66	35	80
Banks in local currency	211,496	177,322	69,505
Banks in foreign currency	125,759	14,341	20,335
Checks to be deposited		150	3,332
	339,740	193,949	95,711

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NOTE 4: (Continued)

b. Investments

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
Temporary investments			
Mutual Funds (2)	325,959	337,963	523,331
Time deposits	187,871	233,697	
- Certificates of participation Tarshop S.A. Trust (1)			4,550
- Global 2010 bonds (1)			162
- Mortgage Bonds (1)	481	477	480
Public shares (1)	13,688	2,912	11,369
Other investments (1)	12	12	16
	528,011	575,061	539,908

(1) Not considered as cash equivalents in Cash Flow Statements.

(2) As of September 30, 2011 and 2010 and June 30, 2011 includes Ps. 62,707, Ps. 115,704 and Ps. 60,065 respectively, related to mutual funds not considered as cash equivalents in Cash Flow Statement.

	September 30, 2011	June 30, 2011	September 30, 2010
Non-current			
Investments on equity investees:			
Agro Uranga S.A.			
Shares	11,882	11,924	10,706
Higher property value	11,179	11,179	11,179
	23,061	23,103	21,885
Cactus			
Goodwill			4,978

Allowance for impairment of Cactus goodwill	(4,978)

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NOTE 4: (Continued)

	September 30, 2011	June 30, 2011	September 30, 2010
BrasilAgro			
Shares			313,616
Higher values (1)			6,887
Goodwill			6,965
Negative Goodwill			(13,240)
Warrants	27,199	27,199	
	27,199	27,199	314,228
Banco Hipotecario S.A.			
Shares	949,287	939,553	850,693
Higher values (2)	4,702	6,658	9,883
Goodwill	(27,403)	(27,762)	10,914
	926,586	918,449	871,490
Banco Crédito & Securitización S.A.			
Shares	6,199	6,117	6,094
	6,199	6,117	6,094
Manibil S.A.			
Shares	28,272	27,671	27,093
Goodwill	10	10	10
	28,282	27,681	27,103

(1) Corresponds to Ps. 10,596 of higher value property and equipment and Ps. (3,709) of higher tax effect value.

(2) Corresponds to Ps. 224 of higher value intangible assets, Ps. 11,007 of lower value trade account payables and Ps. (11,885) of higher value trade account receivable which belongs to the business combinations of Cresud and Agrology S.A. (currently merged into Cresud), and Ps. 5,356 of IRSA.

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NOTE 4: (Continued)

	September 30, 2011	June 30, 2011	September 30, 2010
Hersha Hospitality Trust			
Shares/Options	243,869	277,248	211,557
	243,869	277,248	211,557
Tarshop S.A.			
Shares	53,315	49,779	33,847
	53,315	49,779	33,847
RIGBY 183 LLC			
Shares	88,615	91,136	
	88,615	91,136	
TGLT S.A.			
Shares	59,031	56,382	
	59,031	56,382	
New Lipstick			
Shares	118,505	115,946	
	118,505	115,946	
Advances for shares purchases	266	1,797	53,361
	266	1,797	53,361

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NOTE 4: (Continued)

	September 30, 2011	June 30, 2011	September 30, 2010
Undeveloped parcels of lands:			
- Santa María del Plata	222,578	222,578	222,372
- Soleil Factory air space	6,676	6,676	
- Puerto Retiro (1)	66,226	66,321	66,486
- Plot of land Beruti (2)			54,287
- Plot of land Caballito	49,699	49,699	40,823
- Patio Olmos (3)	33,672	33,744	33,218
- Torres Rosario plot of land			13,975
- Coto air space (5)	17,594	17,594	14,672
- Zetol plot of land (4)	32,489	32,207	14,469
- Canteras Natal Crespo	6,727	6,539	6,479
- Pilar	4,066	4,066	4,066
- Vista al Muelle plot of land (4)	22,674	21,654	9,900
- Other undeveloped parcels of lands	19,216	21,304	23,928
	481,617	482,382	504,675
	2,056,545	2,077,219	2,044,240

(1) Note 7.B.1.a. to the consolidated financial statements.
(2) Note 9.B.2.c. to the consolidated financial statements
(3) Note 9 B.2.a. to the consolidated financial statements.
(4) Note 8 B.1.e. to the consolidated financial statements.
(5) Note 9 B.2.d. to the consolidated financial statements.

Other investments

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
MAT	90	90	90
Coprolán	21	21	21
Other investments	1,427	1,571	1,146

1,538	1,682	1,257

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NOTE 4: (Continued)

c. Trade account Receivable

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
Debtors from consumer financing	65,165	70,248	44,975
Leases, services and real estate receivables	88,938	97,025	74,995
Receivables under legal proceedings		595	
Checks to be deposited	116,730	104,083	65,858
Debtors from expenses and collective promotion fund	22,516	18,953	21,231
Leases, services and real estate receivables under legal proceedings	50,425	48,954	43,432
Trade accounts receivable agricultural business	141,561	192,062	61,837
Trade accounts receivable real estate agricultural business	27,077	3,885	3,920
Trade accounts receivable real estate business		4,034	
Debtors from hotel activities	11,842	9,954	13,469
Documents receivable	4,026	5,987	4,054
Debtors from consumer financing collection agents	5,118	4,869	2,351
Credit cards receivable	227	497	402
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	7,126	9,189	8,083
Less:			
Allowance for doubtful accounts	(115,749)	(117,564)	(79,430)
	425,002	452,771	265,177
Non-current			
Leases, services and real estate receivables	17,375	14,300	16,774
Trade accounts receivable agricultural business		3,519	
Trade accounts receivable real estate agricultural business	45,920	14,880	
	63,295	32,699	16,774

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NOTE 4: (Continued)

d. Other receivables

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
VAT receivables, net	65,011	56,566	65,930
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	28,561	29,151	14,137
Prepaid expenses	49,003	49,300	42,510
Income tax advances and tax credit (net of provision for income tax)	18,144	15,133	8,538
Guarantee deposits re. securitization programs			692
Loans granted	554	644	1,158
Gross sales tax credit and others	8,674	10,895	10,748
Provision for inputs and other expenses	958		
Interests to be accrued	165		
Guarantee deposits	1,131	633	3,160
Minimum presumed income tax	2,819	1,824	473
Premiums collected	2,075	2,919	154
Financial operations to liquidate	29,775	14,180	770
Other tax credits	8,136	59,323	132
Prepaid leases	27,191	11,044	28,907
VAT withholdings	1,718	1,709	
Transfer VAT debtors	19	61	
Withholding income tax	6,768	7,764	
Financial derivates instruments	3,272	1,867	
VAT export refunds	1,612	424	
Receivables with shareholders in related companies			1,371
Expenses to be recovered	1,252	7,707	28
Allowance for doubtful accounts	(92)	(92)	
Others	16,453	20,794	16,988
	273,199	291,846	195,696

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NOTE 4: (Continued)

	September 30, 2011	June 30, 2011	September 30, 2010
Non-current			
Deferred tax	60,298	32,452	38,203
Minimum presumed income tax	134,167	129,958	93,144
VAT receivables, net	51,700	55,914	59,237
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	30,020	29,772	14,102
Prepaid expenses	3,758	3,114	2,094
Mortgages receivables under legal proceeding	2,208	2,208	2,208
Guarantee deposits	49,681	55,975	
Allowance for doubtful accounts	(2,208)	(2,208)	(2,208)
Other tax credits	56,589	12,131	
Gross sales tax credit and others	1,128	1,067	1,506
Loans granted			96
Tax on bank account operations			139
Income tax advances and tax credit (net of Metropolitan sale)			1,643
Escrow Fidelity National Title			59,400
Call Option- Metropolitan 885 Third Ave. LLC			49,322
Others	5,588	6,242	788
	392,929	326,625	319,674

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NOTE 4: (Continued)

e. Inventories

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
Agricultural business			
Crops	148,443	232,009	35,024
Materials and others	126,082	115,140	68,115
Beef cattle	62,192	45,131	21,774
Unharvested crops	71,434	69,724	21,564
Seeds and fodder	9,241	8,009	2,356
Slaughtered stock	9,064	5,898	
Suppliers advances	60,894	8,697	
Real Estate Business			
Credit from barter transaction of Terreno Caballito (Koad)	4,457	5,860	28,031
Abril	1,145	1,145	1,675
Inventories (hotel business)	3,788	3,575	3,210
El Encuentro	5,380	5,660	5,487
Libertador 498	10,090		
Horizons	198,824	212,211	245,718
Credit from barter transaction of Terreno Rosario	6,267	25,607	9,828
Other Inventories	4,005	3,519	1,448
San Martín de Tours	73	424	433
Thames	3,899		
Torres Jardin	32	32	3,065
Torres Rosario	10,052	9,320	
	735,362	751,961	447,728
Non-current			
Agricultural business			
Beef cattle	167,571	184,527	140,739
Unharvested crops	36,896	83,227	
Real Estate Business			
Credit from barter of Caballito (Cyrsa) (Note 4.s)			25,155
Credit from barter of Terreno Caballito (Koad)			7,227
Units to receive Caballito (Note 4.s.)	52,029	51,999	

Credit from barter transaction of Terreno Rosario			7,742
El Encuentro		1,898	5,045
Terrenos de Caballito			6,830
Beruti	23,608	23,309	
Lands to receive Peraiola	8,200	8,200	8,200
Torres Rosario	6,512	4,388	
Other Inventories	76	59	1,552
	294,892	357,607	202,490

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NOTE 4: (Continued)

f. Property and equipment, net

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Agricultural business	1,664,577	1,797,953	454,137
Real Estate Business			
Shopping Center	2,223,951	2,226,543	1,547,557
Office buildings	883,256	966,320	974,618
Hotels	201,816	203,716	203,353
Other fixed assets	202,437	138,577	136,287
	5,176,037	5,333,109	3,315,952

g. Intangible assets

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Agricultural business	26,710	28,290	22,182
Real Estate Business	59,967	51,655	53,160
	86,677	79,945	75,342

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NOTE 4: (Continued)

h. Goodwill, net

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Goodwill			
IRSA	14,581	14,330	40,108
BrasilAgro	6,965	6,965	
APSA	12,243	12,431	18,888
Torre BankBoston	4,832	4,873	5,638
Della Paolera 265 y Museo Renault	2,584	2,620	3,073
Conil S.A.	343	343	507
Arcos del Gourmet S.A.	6,060		
Nuevo Puerto Santa Fe S.A.	5,284		
Negative goodwill			
IRSA	(319,151)	(324,774)	(352,566)
BrasilAgro	(68,312)	(73,947)	
APSA	(337,782)	(342,527)	(42,579)
Palermo Invest S.A.	(23,281)	(23,498)	(43,113)
Empalme S.A.I.C.F.A. y G	(2,626)	(2,683)	(8,291)
Mendoza Plaza Shopping S.A.	(2,142)	(2,174)	(5,579)
Emprendimiento Recoleta S.A.	(25)	(25)	(243)
Unicity S.A.	(3,601)	(3,601)	
Soleil Factory	(9,519)	(9,389)	
	(713,547)	(741,056)	(384,157)

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NOTE 4: (Continued)

i. Trade accounts payable

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
Suppliers	144,517	118,146	101,896
Provisions for inputs and other expenses	39,888	114,355	87,304
Debt related to purchase of farms	110,012	180,325	26,062
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	13,996	10,054	3,986
Liabilities in kind Horizons	30,458	36,443	49,438
Provisions for harvest expenses	53,949	4,245	725
Checks deferred	10,110	6,111	
Others	3,029	3,550	2,471
	405,959	473,229	271,882
Non-current			
Suppliers	290	47	10,022
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)			14,436
Debt related to purchase of farms	13,387	12,098	
	13,677	12,145	24,458

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NOTE 4: (Continued)

j. Short-term and long-term debts

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
Bank loans	393,967	331,779	244,410
Bank Overdrafts	626,573	684,215	295,915
Foreign financial entities		3,473	5,578
Seller- financed debt	69,521	50,191	8,262
Non-convertible Notes IRSA 2017	8,061	20,960	5,680
Non-convertible Notes Class III	35,913	36,314	768
Non-convertible Notes Class IV	56,683	55,503	754
Non-convertible Notes Class V	71,775	36,177	
Non-convertible Notes Class VI	68,500	33,427	
Non-convertible Notes Class VII		21	
Non-convertible Notes IRSA 2020	13,394	30,800	12,572
Non-convertible Notes APSA US$ 120 M.	13,711	4,490	8,210
Convertible Notes APSA 2014 US$ 50 M.	1	3	2
Non-convertible Notes APSA 2011 Ps. 55 M.			44,358
Non-convertible Notes APSA 2011 US$ 6 M.			26,068
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	2,442		1,225
Non-convertible Notes APSA 2012 Ps. 154 M.	28,987	28,879	28,171
	1,389,528	1,316,232	681,973

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NOTE 4: (Continued)

	September 30, 2011	June 30, 2011	September 30, 2010
Non-current			
Foreign financial entities		10,355	
Non-convertible Notes Class III			35,532
Non-convertible Notes Class IV	18,756	18,314	70,422
Non-convertible Notes Class V	35,481	70,927	
Non-convertible Notes Class VI	67,732	99,286	
Non-convertible Notes Class VII	8,720	8,509	
Non-convertible Notes Class VIII	248,850		
Non-convertible Notes IRSA 2017	614,600	599,565	444,791
Non-convertible Notes APSA US$ 120 M.	433,010	421,498	264,254
Bank loans	176,478	173,527	53,157
Non-convertible Notes IRSA 2020	612,376	598,116	574,925
Convertible Notes APSA 2014 US$ 50 M. (Note 4.s.)	4,224	4,640	61,237
Non-convertible Notes APSA 2012 Ps. 154 M.			25,067
Seller- financed debt	82,656	81,568	64,750
	2,302,883	2,086,305	1,594,135

k. Remunerations and social security contributions

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
Provisions for vacation and bonuses	37,252	67,011	22,137
Social security payable	17,196	12,827	18,212
Salaries payable	1,365	1,369	423
Facilities for payment plan social security	212	209	
Others	2,687	1,461	2,370
	58,712	82,877	43,142

Non-current

Facilities for payment plan social security	581	635

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NOTE 4: (Continued)

l. Taxes payable

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
VAT payable, net	16,784	21,642	8,068
Minimum presumed income tax	1,322	17,757	8,273
Income tax provision, net	59,252	62,485	36,354
Tax on shareholders´ personal assets	6,347	4,276	6,199
Provisions Gross sales tax payable	4,932	5,951	6,359
Tax moratorium ABL	1,463	142	142
Tax payment facilities plan for income tax	2,035	1,879	1,609
Tax withholdings	22,236	10,757	5,200
Gross revenue tax moratorium	560	1,886	1,279
Income tax payable moratorium	71		
Others	4,879	9,029	5,308
	119,881	135,804	78,791
Non-current			
Deferred tax	543,537	555,901	242,088
Income tax expense	42,955		20,858
Income tax payable moratorium	16,980	18,982	16,374
Tax on shareholders´ personal assets moratorium	2,010	2,086	2,315
Gross revenue tax moratorium	734	1,206	1,628
Minimum presumed income tax	7,772		8,756
Tax moratorium ABL	1,712		
Others		1,161	
	615,700	579,336	292,019

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NOTE 4: (Continued)

m. Customer advances

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
Admission rights	64,650	60,822	52,434
Advanced payments from customers	158,256	173,712	148,461
Leases and service advances	49,164	35,021	25,691
	272,070	269,555	226,586
Non-current			
Admission rights	70,706	66,885	59,199
Leases and service advances	25,973	27,359	29,913
	96,679	94,244	89,112

n. Other liabilities

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
Lower value of acquired contracts			378
Payables to Nationals Park Administration	1,100	1,100	2,608
Debt to purchase of investments		316	
Other debts	16,004	16,004	
Advances on assignment of right	3,422		
Guarantee deposits	3,628	4,128	6,440
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	42,797	37,326	26,987

Premiums collected	1,980	672	4,001
Debt former minority shareholder Tarshop S.A.			3,556
Provision for contract management (Note 4.s.)	4,633	7,868	8,028
Operations to liquidate	12,161	7,681	319
Profits to be made and improvements made by others to earn	293	332	451
Loan with FyO.Com´s minority shareholder			47
Loan with shareholders of related parties	3,700		
Others	3,165	6,453	5,859
	92,883	81,880	58,674

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NOTE 4: (Continued)

	September 30, 2011	June 30, 2011	September 30, 2010
Non-current			
Loan with shareholders of related parties	258	252	20,564
Contributed leasehold improvements to be accrued and unrealized gains	9,103	9,170	9,396
Guarantee deposits	8,295	6,207	2,667
Debt former minority shareholder Tarshop S.A.			2,531
Hersha´s Option payable			18,814
Additional capital contribution payable			5,940
Advances on assignment of right		3,344	3,222
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	11,371	20	4,125
Interest in Subsidiaries, related companies Law No. 19,550 Section 33 and related parties			624
Others	3,478	2,631	7,778
	32,505	21,624	75,661

o. **Provisions for lawsuits and contingencies**

The breakdown for this item is as follow:

	September 30, 2011	June 30, 2011	September 30, 2010
Current			
Lawsuits and contingencies	4,856	4,615	1,347
	4,856	4,615	1,347
Non-current			
Lawsuits and contingencies	17,892	14,952	9,620
	17,892	14,952	9,620

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NOTE 4: (Continued)

p. Unrealized gain

The breakdown for this item is as follow:

		September 30, 2011	September 30, 2010
Unrealized gain on inventories	Beef cattle	8,956	16,127
Unrealized loss on inventories	Crops, raw materials and MAT	7,558	(4,192)
Total unrealized gain		16,514	11,935

q. Financial results, net

The main financial results are the following:

	September 30, 2011	September 30, 2010
Generated by assets:		
Income Interest		
Income Interest	33,347	5,173
Interest for assets discount	900	3,407
Sub-total	34,247	8,580
Other Unrealized gain (loss)		
Conversion differences		551
Gain on hedging operations	746	324
Tax on bank account operations	(2,497)	(2,059)
(Loss) Gain on financial operations	(559)	(320)
Others	(55,078)	(16,551)
Sub-total	(57,388)	(18,055)

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NOTE 4: (Continued)

	September 30, 2011	September 30, 2010
Generated by liabilities:		
Other Unrealized gain (loss)		
Others	(4,286)	779
Sub-total	(4,286)	779

r. Other income and expenses, net

The breakdown for this item is as follow:

	September 30, 2011	September 30, 2010
Other incomes:		
Recovery of allowances		9
Lawsuits and contingencies		97
Gains on the sales of other fixed assets	40	
Management fee	191	139
Others	1,745	453
Sub-total Other Income	1,976	698
Other Expenses:		
Tax on shareholders´ personal assets	(3,513)	(3,436)
Lawsuits and contingencies	(2,899)	(388)
Unrecoverable VAT receivable	(170)	(445)
Donations	(2,284)	(1,539)
Gains on the sales of other fixed assets		(21)
Others	(1,213)	(105)
Sub-total Other Expenses	(10,079)	(5,934)
Total Other income and expenses, net	(8,103)	(5,236)

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NOTE 4: (Continued)

s. Subsidiaries related companies Law No. 19,550 Section 33 and other related parties: (Continued)

Balances as of September 30, 2011, compared to the balances as of June 30, 2011, and September 30, 2010 held with related companies, persons and shareholders are as follows:

As of September 30, 2011:

	Current Trade account receivable	Current Other receivables	Non-current Other receivables	Inventories Receivable Caballito plot of land barter	Current Trade accounts Payable	Short-term debts	Current Other liabilities	Non-current Other liabilities
Agro Uranga S.A. (2)		9			(836)			
Banco Hipotecario S.A. (2)	226				(155)			
Baicom Networks S.A. (2)	76	48	424					
Canteras Natal Crespo S.A. (4)	419	41						
Consorcio Libertador S.A. (3)	20	15			(6)		(4)	
Consorcio Torre Boston .S.A. (3)	426	487			(1,410)			
Consultores Asset Management S.A. (3)	1,154	29			(10)		(4,633)	
Museo de los niños S.A. (3)	1,674				(27)			
Cresca S.A. (4)	69		12,304		(47)		(29)	
Cyrsa S.A. (4)	1,793	10			(1,633)		(226)	
Directors (3)	13	216					(19,198)	(20)
Estudio Zang, Bergel & Viñes (3)		53			(615)		(336)	
Fundación IRSA (3)	39	2			(1)		(1,073)	
Inversiones Financieras del Sur S.A. (1)	5	4,395						
Hersha Hospitality Trust (2)		2,752						
Miltary S.A. (2)		14						
New Lipstick LLC (2)		1,234					(636)	
Lipstick Management LLC (2)		596						
Personal loans (3)	70	4,317			(148)		(3,700)	
Puerta de Segura S.A. (3)								(11,351)
Puerto Retiro S.A. (2)	58	64			(5)			
Tarshop S.A. (2)	853	13,919			(9,103)		(17,330)	
Quality Invest S.A. (4)	231	3					(56)	
TGLT S.A. (2)				75,637		(2,442)		
Grupo MAEDA S.A. Agroindustrial (3)			17,292					
IRSA Developments LP (2)		8					(4)	
Elsztain Reality Partners Maste (3)							(173)	

Real Estate Strategies LP (2)		78					(8)	
Elsztain Managing Partner Lim (3)		271					(24)	
Total	7,126	28,561	30,020	75,637	(13,996)	(2,442)	(47,430)	(11,371)

(1) Shareholder.
(2) Related companies.
(3) Related parties.
(4) Direct or Indirect common control.

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NOTE 4: (Continued)

As of June 30, 2011

	Current Trade account receivable	Current Other receivables	Non-current Other receivables	Inventories Receivable Caballito plot of land barter	Current Trade account Payable	Current Other liabilities	Non-current Other liabilities
Agro Uranga S.A. (2)	96	46			(178)		
Banco Hipotecario S.A. (2)	225				(252)		
Baicom Networks S.A. (2)	61	6	415				
Canteras Natal Crespo S.A. (4)	403	41					
Consorcio Libertador S.A. (3)	140	16			(65)	(4)	
Consorcio Torre Boston .S.A. (3)	1,076	344			(836)		
Consultores Asset Management S.A. (3)	997	29			(10)	(7,868)	
Museo de los niños S.A. (3)	1,781				(9)		
Cresca S.A. (4)	350	528	10,596		(46)		
Cyrsa S.A. (4)	1,761	11			(1,725)	(43)	
Directors (3)	14	215				(16,004)	(20)
Estudio Zang, Bergel & Viñes (3)		9			(1,241)	(308)	
Fundación IRSA (3)	33	1			(1)	(1,075)	
Inversiones Financieras del Sur S.A. (1)		3,689					
Hersha Hospitality Trust (2)		2,690					
New Lipstick LLC (2)		960				(622)	
Lipstick Management LLC (2)		448					
Personal loans (3)	77	4,044			(153)	(1,000)	
Puerto Retiro S.A. (2)	58	63			(5)		
Tarshop S.A. (2)	660	13,863			(5,533)	(17,330)	
Quality Invest S.A. (4)	799	241				(16)	
TGLT S.A. (3)	658	1,680		75,308			
Grupo MAEDA S.A. Agroindustrial (3)			18,761				
IRSA Developments LP (3)		7				(4)	
Elsztain Reality Partners Maste (3)						(859)	
IRSA Real Estate Strategies LP (3)		64				(8)	
Elsztain Managing Partner Lim (3)		156				(53)	
Total	9,189	29,151	29,772	75,308	(10,054)	(45,194)	(20)

(1) Shareholder.

(2) Related companies
(3) Related parties
(4) Direct or Indirect common control

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NOTE 4: (Continued)

As of September 30, 2010:

	Current Trade account receivables	Current Other receivables	Non-current Other receivables	Inventories Receivable Caballito plot of land barter	Current Trade accounts payable	Non-current Trade accounts payable	Short-term debt	Non-current Short-term and long-term debts	Current Other Liabilities	Non-Current Other Liabilities
Agro Uranga S.A. (2)									(101)	
Banco Hipotecario S.A. (2)	217				(12)					
Baicom Networks S.A. (2)		7	387							
BrasilAgro (2)	256									
Cactus (2)	623	14			(226)					
Canteras Natal Crespo S.A. (4)	332	35								
Consorcio Dock del Plata S.A. (3)	693	161			(113)				(3)	
Consorcio Libertador S.A. (3)		69			(157)				(4)	
Consorcio Torre Boston .S.A. (3)	1,533	710			(1,158)					
Consultores Asset Management S.A. (3)	929	19			(7)				(8,028)	
Cresca S.A. (4)	267	6,392								
Cyrsa S.A. (4)	1,671			25,155	(1,006)					
Directors (3)	2	360			(36)				(25,755)	(4,125)
Elsztain Managing Partners Lim (3)									(35)	
Estudio Zang, Bergel & Viñes (3)		29			(1,110)					
Fundación IRSA (3)	43	1							(1,073)	
Inversiones Financieras del Sur S.A. (5)		298								
IRSA Developments LP (3)									(8)	
IRSA Real Estate Strategies LP (3)									(8)	
Hersha Hospitality Trust (2)		2,102								
Metroshop S.A. (1)		350				(14,436)				
Museo de los niños S.A. (3)	929				(5)					
Military S.A. (2)		9								
Parque Arauco S.A. (3)							(1,225)	(31,271)		
Personal loans (3)	111	2,875			(150)					

Puerto Retiro S.A. (2)	60	31			(6)					
Tarshop S.A. (2)	417	675	13,715							
Total	8,083	14,137	14,102	25,155	(3,986)	(14,436)	(1,225)	(31,271)	(35,015)	(4,125)

(1) Direct or indirect subsidiary.
(2) Related companies.
(3) Related parties.
(4) Direct or Indirect common control.
(5) Shareholder.

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NOTE 4: (Continued)

The results for the periods ended September 30, 2011 and 2010, held with related companies, persons and shareholders are as follows:

As of September 30, 2011

	Gain from leases	Fees	Interest income (loss)	Other income and expenses and current tax on shareholders´ personal assets	Administration services	Sales and fees for shared services	Donations
Agro Uranga S.A. (2)				356			
Canteras Natal Crespo S.A. (4)			1			12	
Consorcio Libertador S.A. (3)	3					31	
Consultores Asset Management S.A. (3)		(116)					
Cresca S.A. (4)			1		96		
Cyrsa S.A. (4)	1						
Directors (3)		(7,425)					
Estudio Zang, Bergel & Viñes (3)		(1,483)					
Fundación IRSA (3)							(906)
Inversiones Financieras del Sur S.A. (1)			346				
Personal loans (3)			73				
Consorcio Torre Boston S.A. (3)						80	
Tarshop S.A. (2)	1,201					110	
Total	1,205	(9,024)	421	356	96	233	(906)

(1) Shareholder.
(2) Related companies.
(3) Related parties.
(4) Direct or Indirect common control.

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NOTE 4: (Continued)

As of September 30, 2010:

	Gain from leases	Beef cattle expenses	Fees	Interest income (loss)	Other income and expenses and current tax on shareholders´ personal assets	Administration services	Sales and fees for shared services	Donations
Shareholders in general (1)					(83)			
Agro Uranga S.A. (2)					14			
Cactus (2)		(928)			10	26		
Canteras Natal Crespo S.A. (4)							12	
Consorcio Torre Boston (3)							80	
Consorcio Libertador S.A. (3)	3						31	
Consorcio Dock del Plata S.A. (3)							39	
Consultores Asset Management S.A. (3)			(1,250)					
Cresca S.A. (4)						116		
Cyrsa S.A. (4)	1							
Directors (3)			(11,576)					
Estudio Zang, Bergel & Viñes (3)			(2,886)					
Fundación IRSA (3)								(496)
Inversiones Financieras del Sur S.A.								
Parque Arauco S.A. (3)				(1,978)				
Personal loans (3)				34				
Tarshop S.A. (2)	686			80			121	
Total	690	(928)	(15,712)	(1,864)	(59)	142	283	(496)

(1) Shareholder.
(2) Related companies.
(3) Related parties.
(4) Direct or Indirect common control.

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NOTE 5: SEGMENT REPORTING

As of September 30, 2011:

Agricultural Crops								Real estate					
International	Beef cattle	Milk	Sale of farms	Others	Non Operating	Sub-total Agricultural business	Slaughtering /Feed lot	Development and sale of properties	Office Others	Shopping Center	Hotel operations	Consumer financing	Financial operations and others
61,225	9,240	7,062				140,813							
(65,087)	(9,195)	(6,464)				(122,560)							
(3,862)	45	598				18,253							
90,919	22,997	6,584	66,555	20,589		324,071	43,729	55,421	43,882	202,568	39,556	2,065	
(92,546)	(23,347)	(6,584)	(32,248)	(12,984)		(264,097)	(43,886)	(49,810)	(10,422)	(45,749)	(25,299)	(749)	
(1,627)	(350)		34,307	7,605		59,974	(157)	5,611	33,460	156,819	14,257	1,316	
(5,489)	(305)	598	34,307	7,605		78,227	(157)	5,611	33,460	156,819	14,257	1,316	
(2,534)	(1,863)	(191)		(2,018)		(27,847)	(2,093)	(4,834)	(1,601)	(10,807)	(5,348)	2,362	
(17,369)	(5,962)	(374)		(1,116)		(32,135)	(2,004)	(7,029)	(7,886)	(18,822)	(9,925)	(51)	
								13,648					
1,237	8,956			47		16,528	(14)						
(24,155)	826	33	34,307	4,518		34,773	(4,268)	7,396	23,973	127,190	(1,016)	3,627	

1,822,713	319,299	78,550	72,997	34,015	639,890	3,421,376	40,047	662,011	1,472,614	2,140,956	268,725	44,841	1,609,110
457,248	255,775	60,835		24,095	687,301	1,881,509	59,640	396,569	578,588	1,994,136	248,768	30,807	233,789
27,199	156	2,966				50,260		87,313	207,120		243,869	53,315	932,785
34,659	3,554	946		146	358	52,815	23		3,038	11,583	1,392		
8,940	521	222		134	325	11,585		24	7,510	35,702	3,287	2	

(1) The balance corresponds to equity interest in Agro Uranga S.A., Banco Hipotecario S.A., Banco Crédito and Securitización S.A., Manibil S.A., Tarshop S.A. and Hersha Hospitality Trust, Rigby 183 LLC, New Lipstick y TGLT S.A.

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NOTE 5: (Continued)

As of September 30, 2010:

Agricultural								Real estate							
Crops															
l	Inter-national	Beef cattle	Milk	Sale of farms	Others	Non Ope-rating	Sub-total Agri-cultural business	Slaughter-ing /Feed lot	Deve-lopment and sale of properties	Office Others	Shopping Center	Hotel operations	Consumer financing	Financial operations and others	Sul r es bus
295	2,789	2,758	9,301				35,143								
502)	(3,369)	(5,701)	(6,773)				(35,345)								
793	(580)	(2,943)	2,528				(202)								
082	4,379	15,192	8,272	71,096	13,655		161,676		10,979	40,551	149,342	48,565	57,840		3
548)	(4,225)	(15,348)	(8,272)	(21,652)	(10,377)		(102,422)		(5,972)	(8,629)	(42,616)	(30,265)	(19,415)		(1
534	154	(156)		49,444	3,278		59,254		5,007	31,922	106,726	18,300	38,425		2
327	(426)	(3,099)	2,528	49,444	3,278		59,052		5,007	31,922	106,726	18,300	38,425		2
581)	(411)	(551)	(222)		(1,955)		(11,520)		(696)	(971)	(8,575)	(5,128)	(19,288)		(
530)	(1,200)	(2,595)	(350)	(2,163)	(778)		(10,616)		(9,672)	(9,783)	(15,183)	(9,673)	(5,279)		(
									13,453						
063)	20	16,127			(149)		11,935								
													5,213		

647)	(2,017)	9,882	1,956	47,281	396		48,851		8,092	21,168	82,968	3,499	19,071		1
532	490,267	263,573	46,467	3,920	17,458	279,746	1,465,963	617	731,114	1,135,980	1,931,219	236,368	17,485	1,617,046	5,6
573	42,714	89,293	15,619		7,305	518,978	833,582	223	363,954	586,705	1,183,994	232,830	28,523	217,589	2,6
320	314,228	178	3,386				336,112		27,103				33,847	1,089,142	1,1
358	2,433	4,506	201		138	680	9,816		14	356	14,760	2,040	90		
225	117	429	174		58	191	2,194		97	7,485	30,878	3,764	560		

(1) The balance corresponds to equity interest in BrasilAgro, Agro Uranga S.A., Banco Hipotecario S.A., Banco Crédito y Securitización S.A., Manibil S.A., Tarshop S.A. and Hersha Hospitality Trust.

(2) The balance corresponds to equity interest in Cactus, Exportaciones Agroindustriales S.A. disclosed in other debts.

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NOTE 6: LAWSUITS AND CLAIMS IN COURSE

A. Agricultural Business

Ongoing litigation with the city of Villa Mercedes

The Misdemeanours Court Judge to the city of Villa Mercedes issued resolution No. 2980/08 about the situation of Cactus in such city, determining that the Company had a 36-month term to stop operating and transferring the establishment located on the Provincial Route 2B.

In such 36-month period, the Company shall not host over 18,500 head of cattle.

Such brief was appealed by Cactus before the Municipality, which was negatively answered on April 7, 2009, by means of Decree No. 0662/09, thus ratifying the Misdemeanour Court Judge s ruling. Under the administrative justice of the city of Villa Mercedes, Cactus would have until April 7, 2012 to conclude its operations and transfer the establishment.

Cactus has filed appeals with the High Court of Justice of the Province of San Luis, objecting the lawfulness of the rulings entered by the Misdemeanours Court Judge of Villa Mercedes. The appeals are pending and the High Court has not ruled on them.

The Company s legal advisors are optimistic about the possibilities of reversing the Misdemeanours Court Judge s ruling.

Irrespective of the above, Cactus is carrying out a plan to improve its relationship with the community of Villa Mercedes, seeking to strengthen the company s position as a valuable member in the social and economic activity in the region, whose purpose is that the scheduled moving be reconsidered by municipal authorities.

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NOTE 6: (Continued)

B. Real Estate Business

Provision for unexpired claims against Llao Llao Holding S.A.

The Llao Llao Holding S.A. (LLH) Company, predecessor of Llao Llao Resorts S.A. (LLR) as operator of the Llao Llao Hotel, was sued in 1997 by the National Parks Administration seeking collection of the unpaid balance of the additional sale price, in Argentine External Debt Bond (EDB) amounting to US$ 2.9 million. In March 2004, after different stages of the judicial proceeding, LLH paid Ps. 9,156 in cash and EDB.

Based on the information provided by the legal advisors litigating these proceedings, LLR has booked under Other current liabilities Payables to National Parks Administration , the amount of fees described in the above paragraph.

At the same time, the plaintiff indicated that the deposited sums were consistent with the settlement statement approved by the court on December 5, 2007 and computed on June 30, 2007. As a result, argued that the interest accrued until actual payment were to be adjusted by application of the Argentine Central Bank s borrowing interest rate. As estimated by the Argentine Agency of National Parks, the outstanding balance, to be deposited by LLR amounted US$ 659. In addition, on September 22, 2010, the judge calculated that the fees payable to the auctioneer who took part in the proceedings amount to Ps. 1.8 million. LLR lodged an appeal against the award for considering the amount excessively high. The auctioneer, in turn, lodged his appeal against the award for considering the amount excessively low. After various judicial instances, the courts rendered a decision favorable to LLR and considered LLR s debt was satisfied as it related to the liquidation approved in the record of proceedings. Furthermore, the appeal remedy regarding fees awarded to the auctioneer, which were reduced from Ps. 1.8 million to Ps. 1.1 million plus VAT.

Based on the information provided by the legal advisors litigating these proceedings, LLR has booked under Other current liabilities Payables to National Parks Administration , the amount of fees described in the above paragraph.

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NOTE 6: (Continued)

Since LLR had a credit balance as regards the deposit made pursuant to settlement approved in the proceedings, on February 18, 2011 LLR filed a remedy for relief on the amount deposited in excess and order the eventual repayment to the defendant. Moreover, the auctioneer has requested payment of fees. LLR presented a proposal to pay the auctioneer s fees settled, which will be withheld from the funds seized, from the freely disposable funds and from the funds invested in time deposits in dollars. Likewise, LLR requested professional fees to be settled and resolution of the pending clarifying remedy as to the amount deposited in excess.

NOTE 7: RESTRICTED ASSETS

A. Agricultural Business

1. BrasilAgro

a. Farmland Cremaq

BrasilAgro has constituted a mortgage on 10,097 ha. of Fazenda Cremaq, as payment guarantee of the loan agreement obtained in December 2009 from Banco do Nordeste BNB and a deposit for Ps. 46,682 (equivalent to R$ 18,492) related to the funds obtained in June 2010 by the controlling party Jaborandi Ltda., paid to CDI.

B. Real Estate Business

1. IRSA

a. Puerto Retiro S.A.

On April 18, 2000, Puerto Retiro S.A. (indirect subsidiary of IRSA) was notified of a filing made by the National Government, through the Ministry of Defense, to extend the petition in bankruptcy of Inversora Dársena Norte S.A. (Indarsa) to Puerto Retiro S.A. At the request of plaintiff, the bankruptcy court granted an order restraining the ability of Puerto Retiro S.A. to sell or dispose in any manner the acquired real estate property from Tandanor S.A. in June 1993.

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NOTE 7: (Continued)

Indarsa had acquired 90% of the capital stock of Tandanor S.A. to a formerly estate owned company privatized in 1991, engaged in the shipyard industry.

Indarsa did not comply with the payment of the outstanding price for the acquisition of the stock of Tandanor, and therefore the Ministry of Defense requested the bankruptcy of Indarsa, pursuing to extend the bankruptcy to Puerto Retiro S.A.

The evidence steps of the legal procedures have been completed Puerto Retiro S.A. appealed the precautionary measure, being the same confirmed by the Court on December 14, 2000. The parties have submitted their claims in due time. The file was passed for the judge to issue a pronouncement, the judge issued a decree adjourning the summoning of decisions to pronouncement in the understanding that there exists pre-judgment in respect of the penal cause filed against ex-officers of the Ministry of Defense and ex-directors of the Company. Consequently, the matter will not be solved until there is final judgment in penal jurisdiction.

Notice has been served upon the commercial court that the criminal cause of action was declared extinguished by operation of the statutes of limitation and that the accused were acquitted. However, this ruling was challenged by filing an appeal in cassation, which is why the other decision is still not final.

The Management and legal advisors of Puerto Retiro S.A. estimate that there are legal and technical issues sufficient to consider that the request for bankruptcy will be denied by the court. However, taking the circumstances into account and the progress of the legal action, this position cannot be considered final.

b. Mortgage guaranteed loan Hoteles Argentinos S.A.

In March 2005, Credit Suisse First Boston (CSFB) acquired the debt for US$ 11.1 million of Hoteles Argentinos S.A. (HASA), which had been in non-compliance since January 2002. In April 2006 HASA made a payment reducing the capital amount payable to US$ 6.0 million. The balance accrued interests at a LIBO rate six months plus 7.0%, being the last of US$ 5.07 due in March 2010.

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NOTE 7: (Continued)

Jointly, IRSA subscripted a credit default swap for 80% of the restructured debt value in order to protect CSFB in case of non-compliance with HASA s obligations. As compensation, IRSA will receive a payment of a coupon on a periodical basis. In addition, to support the obligations assumed, IRSA deposited as guarantee the amount of US$ 1.2 million.

With the last installment of the loan received having been repaid on March 15, 2010, CSFB reimbursed the deposit to the Company. In connection with this matter, HASA borrowed a new loan from Standard Bank Argentina S.A., for a total amount of Ps. 19.0 million, which will accrue interest at a fixed rate, payable on a quarterly basis. The capital was due on March 15, 2011. On this date, HASA refinanced the mentioned loan agreement, as per the following detail: US$ 0.4 million (capital plus interest) to be paid on September 12, 2011; US$ 0.4 million (capital plus interest) to be paid on March 14, 2012 and Ps. 15.8 million, with capital to be paid on March 14, 2012 and interests payable on a quarterly basis.

As a guarantee for this transaction, the Company entered into a put option agreement (Put Right) with Standard Bank Argentina S.A. whereby the Bank receives the right to sell to the Company, which in turn agrees to purchase, 80% of the credit rights arising from the loan in the event of HASA defaulted the loan.

As of the balance sheet date, HASA had committed no event of default.

c. IRSA and its subsidiaries has mortgaged on the following properties:

Property	Book value as of September 30, 2011
República Building	214,431
Soleil Factory	71,537
Bariloche plot of land	27,051
Zetol plot of land	32,489
Suipacha 652	17,291
Predio San Martín	69,715
Vista al Muelle plot of land	22,674

d. IRSA maintains a pledge over Metropolitan 885 Third Avenue Leasehold LLC ´s shares

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NOTE 7: (Continued)

e. To guarantee due compliance with all the covenants assumed by Liveck S.A., and the minority shareholder of Zetol S.A. s and Vista al Muelle S.A.´s pursuant to the stock purchase agreement for Vista al Muelle S.A. s shares executed on June 11, 2009 and the Addendums to the Agreement, as well as payment of any possible damages and associated expenses, the parties have reciprocally tendered a security interest consisting in a possessory pledge over the shares in Vista al Muelle S.A. and Zetol S.A..

f. IRSA has raised a mortgage over the property designated as Suipacha 652 , and a pledge over Cyrsa shares to secure compliance with its obligation to erect a building and to convey the units to be constructed in the building as this obligation represents the balance outstanding for the acquisition of a plot of land in Av. Del Libertador 1755.

g. IRSA carries a mortgage on the property designated as Edificio República in connection with the loan granted by Banco Macro for the acquisition of said property.

2. APSA

a. To secure the fulfillment of the Concession and Exploitation Agreement with ADIF, Arcos del Gourmet S.A. commited itself to hire a secure bond of Ps. 4,460, make an escrow deposit in cash of Ps. 400 and to hire another surely bond in favor of ADIF as collateral to the execution of the works agreed due time and proper form for Ps. 14,950. These surely bonds were hired during October 2011.

b. As regards the case Alto Palermo S.A. (APSA) against Dirección General Impositiva on Appeal , Record of proceedings number 25,030-I, currently heard by Division A, 3 Nomination, an attachment has been ordered and effected on the real property located in Olegario Andrade 367, Caballito, Ciudad Autónoma de Buenos Aires, which as at September 30, 2011 amounts to Ps. 45,814 (accounted for under Non-Current Investments - Land Reserves).

c. As regards the case styled Case File N° 88.390/03 with María del Socorro Pedano; for Tres Ce S.A. o Alto Palermo S.A. (APSA), the building located at Av. Virrey Toledo 702, Salta, has been encumbered for an amount of Ps. 180 (disclosed in Property and equipment).

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d. Under the agreement executed with Banco Hipotecario S.A. for the sale of Tarshop S.A. s shares and its amendments, APSA keeps a security agreement over the Company s Class I Notes, issued on May 11, 2007, for a face value of US$ 1.2 million, granted to Banco Hipotecario S.A. which works as a guarantee upon any price adjustment that may result in favor of Banco Hipotecario S.A. as provided by the purchase agreement.

NOTE 8: ACQUISITION, CONSTITUTION AND RESTRUCTURING OF COMPANIES

A. Agricultural Business

1. Purchase of shares and warrant BrasilAgro

On October 20 and December 23, 2010, the Company and its subsidiary Helmir executed with Tarpon an addendum to the Share Purchase Agreement of April 28, 2010, under which the Company either directly or indirectly acquired 9,581,750 shares of common stock of BrasilAgro, representing 16.40% of the outstanding stock and 64,000 warrants from the First Issue and 64,000 warrants from the Second Issue. Consequently, Cresud paid Rs. 25.2 million on October 20, 2010, Rs. 50.8 million on December 23, 2010, Rs. 52.5 million on April 27, 2011. When the price agreed was cancelled, the pledge constituted on 3,864,086 shares and 37,325 warrants from BrasilAgro s first issue released

Consequently, Cresud is either directly or indirectly the owner of 20,883,916 shares or 35.75% of BrasilAgro s outstanding stock as of June 30, 2011 (see note 13.1.a to the Basic Financial Statements). It should be noted that acquiring shares does not imply a change in the control over BrasilAgro; and that BrasilAgro s Shareholders Agreement will remain effective with the amendments that may be required to sell all shares owned by Tarpon and its affiliates.

Likewise, due to the transaction, Cresud owns directly and indirectly 168,902 BrasilAgro s First Issuance Warrants and 168,902 BrasilAgro s Second Issuance Warrants.

As of September 30, 2011 the Company registered an asset for Ps. 27,199 for the acquisition of these warrants (Note 4.b).

In relation to this, and following the guidelines of Technical Resolution No. 21 of the F.A.C.P.C.E, the Company has consolidated its financial statements with BrasilAgro s financial statements as of June 30, 2011, as stated in Note 1.a. to this consolidated financial statements.

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NOTE 8: (Continued)

2. Expanding business into the Republic of Paraguay

Under the framework of a series of transactions that constitute for Cresud a new expansion of the agricultural and livestock businesses in South America, Cresud participates together with Carlos Casado (with a 50% interest each) in Cresca S.A. a stock company organized under the law of the Republic of Paraguay, under which Cresud will assume the capacity of advisor under an advisory agreement, for the agricultural, livestock and forestry exploitation of an important rural area in Paraguay and possibly of up to 100,000 hectares, which are derived from the purchase option granted by Carlos Casado to Cresca S.A. It should be mentioned that this option was exercised on September 3, 2008. The option will be in force for a term of 10 years and will be automatically extended for two additional ten-year terms, and it may also be renewed.

Cresud has additionally executed a pre-purchase agreement as committed to acquire for a 50% interest in 41,931 hectares in Paraguay, owned by Carlos Casado S.A. for a total and agreed-upon amount of US$ 5.2 million in turn, to be contributed in kind to the Company aiming at developing the agricultural and forestry business in the neighboring country.

On January 23, 2009, Agrology S.A. (merged with the Company since July 1, 2011) made a contribution in kind to the Paraguayan company, Cresca S.A.. Such contribution is made up of undivided 50% of five plots of land with whatever they have on, located in Mariscal José Félix Estigarribia, Dept. of Boquerón, Chaco Paraguayo, Republic of Paraguay, for 41,931 hectares, acquired from the Company Carlos Casado S.A.

Consequently, together with Carlos Casado S.A. s contribution, the total contribution to Cresca S.A. stands at US$ 10.5 million.

On February 3, 2009, the amount of US$ 5.1 million was paid for the balance of the price originated by the capital contribution made by Carlos Casado S.A. to Cresca S.A. on behalf of Agrology S.A.

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NOTE 8: (Continued)

Finally, on June 29, 2010 a notarial deed was executed for the conveyance of title on the real property subject to the option for an amount of 3,646 hectares which were transferred to Cresca S.A. (1,807 of which corresponds to Agrology).

As agreed in the Option Agreement, Cresca S.A. paid Carlos Casado S.A. US$ 350 per hectare; the last payment was made on March 4, 2011.

B. Real Estate Business

1. IRSA

a. Constitution of CYRSA - Horizons Project

In January 2007, IRSA acquired two adjacent plots of land adjacent located in Vicente López, Province of Buenos Aires (one of them through the acquisition of the total share of Rummaala S.A, actually merged with CYRSA). The purchase price was US$ 36.2 million, from which US$ 30.3 million will be canceled by handing over certain units of the building to be constructed. As security for compliance, Rummaala S.A. shares were pledged and the Building located in Suipacha 652 (owned property) was mortgaged.

In April, 2007, IRSA constituted CYRSA S.A. (CYRSA), and in August 2007, CYRELA was incorporated with the ownership of 50% of CYRSA capital stock. IRSA contributed with the plots of land and the liability in kind related in the amount of Ps. 21,495 and CYRELA contributed Ps. 21,495 in cash.

Then, a major real estate development known as Horizons was launched on the two plots of land mentioned.

From May 2008, CYRSA continued the marketing process of the building units to be constructed on the plot referred to above. Certain clients had made advances by means of signing preliminary sales contracts, reaching 100% of the units to be marketed, which are disclosed in Customer advances .

The purchase-sale price set forth in these preliminary sales contracts are made of a fixed and determined portion and another portion to be determined in line with the future construction expenses.

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NOTE 8: (Continued)

The buyer can choose from the following purchase plans:

The balance will be cancelled in installments and will be fully paid at the time of transfer and signature of deeds.

Partial cancellation will be on installments payable up to the time of transfer / signatures of deeds, the remaining balance to be financed during 90 months´ term with units having mortgaged guarantees.

As of September 30, 2011, the percentage of completion of the Horizons project was 98.24%. Three of the six towers included in the project have already been completed and are currently signing the title deeds. Furthermore, the work on the other towers is in the last stage and delivery and signature of deeds is expected in the following months.

b. Acquisition of Hersha Hospitality Trust´s shares (Hersha)

On August 4, 2009, IRSA, through Real Estate Investment Group L.P. (REIG) acquired 5.7 million shares representing approximately 10.4% of Hersha´s common stock. Additionally, a call option that matures on August 4, 2014 to purchase an additional 5.7 million shares at an exercise price of US$ 3.00 per share was acquired. Under the agreement, if starting on August 4, 2011 the quoted market price of Hersha´s share were to exceed US$ 5.00 per share during 20 consecutive trading sessions, Hersha may settle the call option by issuing and delivering a variable amount of shares to be determined in accordance with certain market values.

The total purchase price paid was US$ 14.3 million As part of the agreement, IRSA´s Chairman and CEO, Mr. Eduardo S. Elsztain, has been appointed to Hersha s Board of Trustees.

In January 2010, March 2010, and October 2010, IRSA through its subsidiaries purchased 11,606,542 additional shares of Hersha s common stock for an aggregate purchase price of US$ 47.9 million.

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NOTE 8: (Continued)

During fiscal year ended June 30, 2011, IRSA through its subsidiaries sold 2,542,379 common shares, in Hersha for a total of US$ 16.1 million, which resulted in approximately US$ 11.5 million gain.

As of September 30, 2011 IRSA´s direct and indirect interest in Hersha represents 9.17%. On the other hand, upon exercise of the call option and assuming any Company´s interest is not diluted due to newly issued shares, IRSA´s interest in Hersha would be 12.12%. IRSA accounts for its investment in Hersha at cost while the call option has been accounted for at its fair value.

Hersha is a Real Estate Investment Trust (REIT) listed in the New York Stock Exchange (NYSE) under the HT symbol that holds majority interests in 78 hotels throughout the United States of America totaling approximately 10,443 rooms. These hotels are rated as select service and upscale hotels and they are mainly located in the Northeast coast of the US, including New York, New Jersey, Boston, Washington D.C. and Philadelphia, whilst a few are located in northern California and some others in Arizona. These properties are operated under franchises that are leaders and enjoy widespread recognition in their markets, such as Marriot International, Intercontinental Hotel Group, Starwood Hotels, Hilton Hotels Corporation, Global Hyatt Corporation and Choice Hotels International.

c. Acquisition Lipstick, New York Building

In July 2008, IRSA (through its subsidiaries) acquired a 30% interest in Metropolitan 885 Metropolitan 885 Third Avenue. LLC (o Metropolitan), through its subsidiaries which main asset is a rental office building in New York City known as the Lipstick Building and debt related to that asset. The transaction included the acquisition of (i) a put right exercisable until July 2011 to sell a 50% of the interest acquired at the same value paid plus interest at 4.5% per annum and (ii) a right of first offer to acquire a 60% portion of the 5% interest of the shareholding. The total price paid was US$ 22.6 million.

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NOTE 8: (Continued)

During 2009 Metropolitan incurred significant losses, which resulted in negative equity mainly due to an impairment recognized in connection with the building. Since IRSA s share in Metropolitan s losses exceeded its equity interest; IRSA recognized a zero value on its investment although a liability of US$ 1.5 million was booked representing it s maximum commitment to fund Metropolitan s operations.

In December 2010 the negotiations geared towards restructuring the amounts owed under mortgage to Royal Bank of Canada came to a successful conclusion The debt was reduced from US$ 210.0 million to US$ 130.0 million (excluding accrued interest) at a Libor plus 400 bp rate, which may not exceed a maximum rate of 6.25% and with a maturity date fixed at seven years. The junior indebtedness to Goldman, Sachs & Co., which had amounted to US$ 45.0 million (excluding accrued interest), was cancelled through a US$ 2.25 million payment.

Metropolitan 885 Third Avenue Leasehold LLC (Metropolitan Leasehold) will maintain the existing ground leases in the same terms and conditions in which they had been initially agreed upon, for a remaining 66 years term. The final consent to this restructuring has already been tendered by all the parties concerned and the closing was consummated on December 30, 2010, as that is when the company New Lipstick LLC (New Lipstick), a new Metropolitan Leasehold holding company, made a US$ 15.0 million principal payment as repayment of the newly restructured mortgage debt, thus reducing it from US$ 130.0 million to US$ 115.0 million.

As a consequence of said closing, the Company has indirectly through New Lipstick increased its ownership interest in the Lipstick Building to 49%. This increase originated in a US$ 15.3 million capital contribution and in the fact that the put option for 50% of the shareholding initially acquired in Metropolitan, which had amounted to approximately US$ 11.3 million plus accrued interest, has been rendered ineffectual. Besides, the above-mentioned commitment, for US$ 1.5 million, ceased to be in effect.

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NOTE 8: (Continued)

d. Acquisition of shares in Banco Hipotecario S.A.

During the last fiscal years and in the current fiscal year, IRSA has been conducting different purchase and sale transactions of BHSA shares, as a result of which, as of September 30, 2011, IRSA´s ownership interest in BHSA is 29.77% of BHSA´s capital stock (without considering treasury shares).

e. Acquisition of companies in the Oriental Republic of Uruguay

During the fiscal year ended June 30, 2009, IRSA (through Tyrus) acquired by a minimum payment a 100% stake in Liveck S.A. (Liveck), a company organized under the laws of the Oriental Republic of Uruguay.

At the same time Liveck acquired, a 90% interest over the shares of the companies Zetol S.A. (Zetol) and Vista al Muelle S.A. (Vista al Muelle), both property owners in Uruguay´s Canelones Department. The remaining 10% ownership interest in the capital stock of both companies is held by Banzey S.A. (Banzey).

The total price for the purchase of Zetol was US$ 7.0 million, of which US$ 2.0 million were paid, the balance will be paid in 5 installments of US$ 1.0 million each with an annual 3.5% compensatory interest calculated on the total outstanding amount tied to the consummation of the release to the market of the real estate projects or within a maximum term of 93 months counted as from the date of acquisition of IRSA. The sellers of the shares of Zetol may choose to receive, in lieu of the amounts outstanding in cash (capital plus interest) the ownership rights to the units to be built in the real estate owned by Zetol representative of 12% of the total marketable square meters to built.

The total price for the purchase of all the shares in Vista al Muelle amounted to US$ 0.83 million, and accrued an annual 8% interest on the total outstanding amount. As of September 10, 2010 this operations was completely paid.

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NOTE 8: (Continued)

To guarantee compliance with the duties agreed by Liveck in the above transactions, Ritelco S.A. has tendered a surety bond guaranteeing payment of 45% of the outstanding balance, interest thereon and the option rights of the sellers.

In the framework of the purchase agreement of Zetol and Vista al Muelle and their respective addenda, Liveck has agreed to buy the shares held by Banzey (or by Ernesto Kimelman or by a company owned by Ernesto Kimelman as applicable), of Vista al Muelle and Zetol and the later have agreed to sell them, in exchange for the amount of US Dollars or Uruguayan Pesos, as the case may be, that Banzey (or by Ernesto Kimelman or by a company owned by Ernesto Kimelman (as applicable), would have actually contributed to Zetol and Vista al Muelle, until the execution of the transaction.

The parties have agreed that the obligations mentioned above are dependent upon, and shall be rendered ineffectual if the parties entered into a shareholder agreement no later than July 1, 2011. If no such shareholder agreement is signed, this sale shall be executed and delivered on July 11, 2011.

On the balance sheet date, having failed to execute the shareholders agreement or to sign an agreement to extend the term for such execution, the parties have not expressed their intention to perform the obligations assumed under the agreement to purchase the stock of Vista al Muelle S.A. and Zetol S.A.

IRSA and its shareholders intend to develop an urban project that will consist in the construction of apartment buildings to be subsequently sold. The project has already been conferred the Urban Feasibility status by Canelones Mayor s Office and its Legislative Council.

In view of the additional development capacity granted by the IMC, the companies agree to pay maximum the sum of US$ 8.1 million for all concepts solely with works and other services as consideration thereof. The works to be carried out in consideration thereof are described in the Contract Plan.

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Furthermore, the companies may exercise an option included in the agreement that entitles them to a 15% reduction of the total consideration amount, provided 80% (eighty per cent) of such consideration has been already been performed with a term of 4 (four) years as from execution of the Contract Plan.

On the other hand, it states that if the companies do not build the square meters of additional development capacity granted to them, the total consideration amount will also be reduced proportionately as the parties agree.

Later, in June 2009, IRSA sold 50% of its stake in Liveck to Cyrela Brazil Realty S.A. (Cyrela) for a price of US$ 1.3 million.

In December 2009, Vista al Muelle acquired other properties totaling US$ 2.7 million in exchange for a US$ 0.3 million down payment, with the balance to be cancelled through the delivery of home units and/or stores to be built and equivalent to 12% out of 65.54% of the sum of the prices of all of the units covered by the Launching Price List for Sector B (the parties have already signed a plat of subdivision to this end).

In February 2010, it acquired additional real estate for a total of US$ 1.0 million in exchange for a down payment of US$ 0.15 million with the balance to be paid in 3 consecutive and equal installments maturing on December 31, 2011, June 30, 2013 and December 31, 2014 and accruing an annual 3% interest rate on the outstanding balance, payable quarterly and on arrears as from December 31, 2009.

On December 17, 2010, IRSA and Cyrela signed a stock purchase agreement whereby a 50% interest in Liveck s capital stock was reacquired from Cyrela for US$ 2.7 million. This amount is equivalent to the contributions made in Liveck by Cyrela. Therefore, IRSA´s interest in Liveck amounted to 100% (through Tyrus).

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NOTE 8: (Continued)

As part of the agreement, IRSA agreed to hold Cyrela harmless in the event of claims asserted by Zetol s sellers. Besides, if within a term of 24 months as from the date of the agreement Cyrela were not released from the guarantee tendered in favor of the above-mentioned sellers, IRSA will be obliged to post a new guarantee in favor of Cyrela, equivalent to 45% of the price balance, interest thereon and the option rights to which Zetol s sellers are entitled.

f. Option to acquire an interest in APSA

In January, 2010, Parque Arauco S.A. accepted the bid submitted by IRSA, and acquired, through a purchase option, the 29.55% interest in APSA and the held of face value of US$ 15.5 million of APSA s Convertible Notes 2014 .

The acceptance of the bid grants IRSA the right to exercise the purchase option mentioned above until August 31, 2010, which term may be extended subject to compliance with certain conditions.

The strike price has been fixed at the total and final amount of US$ 126 million. IRSA transferred US$ 6 million to Parque Arauco S.A., non refundable, as payment in exchange for the option, to be computed towards cancellation of the final price.

On September 21, 2010, IRSA s Board of Directors resolved to exercise the option, which was consummated on October 15, 2010 through the payment of the price balance and the transfer of the shares. According to the terms of the option, the dividends paid by APSA for the fiscal year ended on June 30, 2010 were deducted from the price.

As a consequence of the transaction, as of September 30, 2011, IRSA s interest in APSA rises to 94.89%.

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g. Sale of ownership interest in Pereiraola S.A.I.C.I.F. y A. (Pereiraola).

In June 2010, IRSA closed the sale and transfer of Pereiraola shares for US$ 11.8 million, for which it has collected US$ 1.94 million. The balance shall be paid through a transfer to the name of IRSA of the higher of 6% of the marketable lots, or 39,601 square meters in the gated neighborhood that the buyer has agreed to develop in the property owned by Pereiraola, equivalent to US$ 2.1 million and four consecutive, half-yearly installments of US$ 1.94 million each plus an annual 14% interest rate on the balances, which interest shall be paid in the same conditions as principal, with the first and second installment falling due in December 2010 and June 2011, respectively.

h. Torodur S.A.

In May 2010, IRSA acquired a 100% stake in Torodur S.A. s capital stock for US$ 0.01 million. Later on, IRSA transferred a 2% ownership interest to CAM Communications LP (Bermudas) and CAM Communications LP (Delaware), equally, at cost. In June 2011, IRSA closed the sale and transfer of Torodur S.A. shares for US$ 0.002 million to APSA. As a consequence of such transaction IRSA does not have any direct holding in Torodur S.A.

On the same date, CAM Communications LP (Bermudas) and CAM Communications LP (Delaware) sold to APSA their holding in Torodur S.A. in Ps. 0.02 million.

i. Acquisition of Unicity S.A

On September 1st, 2010, and through E-Commerce Latina S.A. (subsidiary of IRSA) acquired a 100% stake in Unicity S.A. (Unicity) for US$ 2.53 million. Unicity s main asset consists in 31,491,932 shares representative of 10% of the capital stock of Solares de Santa María S.A. and for which it carries a liability to IRSA on the purchase price balance, which as of the date hereof is US$ 9.1 million. On September 28, 2010 the debt was capitalized and IRSA received 36,036,000 shares representing 88.61% of Unicity, being held by E-Commcerce Latina S.A. the remaining 11.39%.

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NOTE 8: (Continued)

j. Sale of Torres Jardín IV

On October 25, 2010, IRSA executed a preliminary sales agreement whereby it sold the lot that fronts Gurrachaga street, at 220/254/256 Gurruchaga Street, at the intersection with Murillo street in the Autonomous City of Buenos Aires (Torres Jardín IV). The total price of the transaction had been fixed at US$ 2.9 million and the terms of payment were: US$ 0.9 million to be collected upon signing the preliminary sales agreement and the price balance, US$ 2.0 million, to be collected when possession is conveyed and the title deed over the property is executed, which took place in January 2011.

k. Purchase of TGLT S.A.´s shares.

In December 2010, IRSA acquired 9,598 non-endorsable common shares in book entry form of 1 vote each, representing 0.01% of TGLT S.A. s capital stock. The total price paid was Ps. 0.1 million.

l. Sale of interest stake in Quality

On March 31, 2011, IRSA and Palermo Invest S.A. sold to EFESUL S.A. (EFESUL) 50% of the capital stock of Quality. As a result of such sale, Quality became jointly controlled by IRSA and EFESUL.

m. Purchase of BACS shares

On March 10, 2011, IRSA signed an stock purchase agreement with International Finance Corporation (IFC) for a total of 796,875 common shares, which represents a 1.28% of BACS capital stock in an aggregate amount of US$ 0.32 million, US$ 0.06 million of which were paid upon execution of the agreement, and the balance of US$ 0.26 million (supported by respective promissory notes) are to be repaid at the time of closing of the transaction, that is within 12 business days as from approval of the transaction by the BCRA, which is still pending.

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NOTE 8: (Continued)

n. Acquisition of shares of Banco Hipotecario S.A.

On July 26, 2010, in the framework of an offer launched by BHSA s Board of Directors for the sale to existing shareholders of 36.0 million of its treasury Class D shares in portfolio, Banco Hipotecario sold approximately 26.9 million of said shares.

The Company exercised its preemptive rights and took part in the offer acquiring 4,352,243 Class D shares totaling Ps. 6.0 million. As a result of this transaction, the Company s interest in BHSA increased from 5% to 5.29% (without considering treasury shares).

On January 7, 2011, the Company sold to Palermo Invest S.A. the equivalent of 4,352,243 Class D ordinary shares of BHSA for US$ 3.3 million. As a result of the sale, the Company s interest in BHSA is once again 5% (without considering the treasury shares in portfolio).

o. Exchange agreement on a piece of land in Caballito (TGLT S.A.)

On June 29, 2011, IRSA subscribed an Exchange agreement with TGLT S.A. (TGLT), which granted the property of a piece of land described as lot 1q of block 35, surrounded by the streets Méndez de Andes, Colpayo, Felipe Vallese and Rojas in the neighborhood of Caballito, City of Buenos Aires. In the site, TGLT will develop a building project devoted to housing and offices, which will consist of three buildings with an approximate area of 30,064.4 square meters.

The total price was settled in US$ 12.8 million. Of the total amount, US$ 0.2 million was paid in money after the deed was executed and the balance shall be cancelled by transferring the property of: (i) a number of apartments to be determined, which represents in all 23.10% of the square meters of the saleable houses; (ii) a number to be determined of complementary units (garages), which represents in all 21.10% of the square meters of the garages; and (iii) in case TGLT builds complementary storage rooms, a number to be determined, which represents 21.10% of the square meters of the storage rooms; of the future real estate that shall form part of the project.

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TGLT is committed to build, finish and obtain authorization for the three buildings that shall make up the building project, within 36 to 48 months, to be counted as from the subscription of the agreement. In guarantee of its obligations under the exchange agreement, TGLT constituted in favor of IRSA a first-grade privilege mortgage on the real estate for up to US$ 12.8 million (capital) plus interests, cost and other expenses that may apply.

p. Purchase and sale of APSA´s Notes

During fiscal year ended June 30, 2009, IRSA bought APSA Notes Series I and II for US$ 39.6 million and US$ 46.5 million, respectively. The total amount paid was US$ 19.3 million and US$ 8.2 million, respectively. These transactions generated results for Ps. 74,285 and Ps. 18,363, respectively. On October 12, 2010, IRSA sold APSA s Series I negotiable obligations through the secondary market for a nominal value of US$ 39.6 million that it had been acquired in the course of fiscal 2009. The total amount collected from the transaction was US$ 38.1 million. The difference has been treated as an implicit financial cost of the transaction, which shall accrue and be amortized against income over the term of the notes.

q. Acquisition of facilities located in San Martín

On March 31, 2011, Quality subscribed a Contract for the Purchase and Sale of Property of an industrial plant owned by Nobleza Piccardo S.A.I.C. y F. (hereinafter, Nobleza) located in San Martín, Province of Buenos Aires. The facilities have the necessary features and scales for multiple uses. On May 31, 2011, the deed was executed.

The purchase price was agreed on US$ 33 million, and payment was made as per the following detail: US$ 9.9 million have already been paid, and the balance of US$ 23.1 million will be cancelled in three equal and consecutive annual installments, plus interests at a 7.5% nominal annual rate calculated on outstanding balances. The first installment is due to be paid on May 31, 2012. In guarantee, Quality constituted in favor of Nobleza a first-grade privilege mortgage on the real estate.

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NOTE 8: (Continued)

Likewise, Quality subscribed a lease agreement with Nobleza, by means of which later will continue occupying the property for a maximum term of three years, with the purpose of gradually moving the plant, its main distribution center and the administrative offices to another site.

On April 11, 2011, Quality requested the National Antitrust Commission to issue an advisory opinion on the obligation to notify the operation or not. The CNDC stated that there was an obligation to notify the situation, but the Company filed an appeal against this decision. As of the date these financial statements are issued, the resolution of the appeal is pending.

2. APSA

a. Sale of equity interest in Tarshop S.A.

On October 30, 2009, Tarshop S. A., capitalized irrevocable contributions made by APSA, thus APSA s participation increased to 98.5878%.

During January 2010, APSA acquired the minority interest (1.4122%) property of the minority shareholder for US$ 0.54 million, reaching the 100% of share interest.

On December 22, 2009, APSA reported the approval by its Board of Directors of the sale assignment and transfer of the 80% of the equity interest in Tarshop S.A. to Banco Hipotecario S.A. Such interest represents 80% of the capital stock issued and outstanding, this is 107,037,152 registered, nonendorsable shares of common stock with a face value of Ps. 1 and entitled to 1 vote each.

In this line of thought, on December 29, 2009, contractual documents related to the transaction were executed, which was subject to the approval by the Argentine Central Bank granted on August 30, 2010. Consequently, on September 13, 2010, the respective memorandum of closure was executed. The total price paid for the purchase of shares stood at US$ 26.8 million. Under this transaction, APSA granted Banco Hipotecario S.A. a two-year security agreement over APSA Serie I Notes, issued on May 11, 2007, for a face value of Ps. 1.2 million, which will work as guarantee upon any price adjustment that may result in favor of Banco Hipotecario S.A. as provided by the purchase agreement.

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On October 11, 2011 Banco Hipotecario released 50% of the pledged Corporate Notes and the remaining 50% would be released after two years as from the date appearing on the Memorandum of closure has been fulfilled.

In compliance with the conditions defined in the agreement in question, APSA committed itself to not competing for 5 years in the credit card and/or consumer loan business in which Tarshop S.A. has a presence.

Additionally, under this transaction, receivables and payables between APSA and Tarshop S.A. have been compensated.

b. Acquisition of Arcos del Gourmet S.A.´s shares

On November 27, 2009, A.PS.A. acquired 7,916,488 shares of common stock with a face value of Ps. 1 each, entitled to 1 vote per share, representing 80% of the capital common stock of Arcos del Gourmet S.A. The price was established at fixed amount of US$ 5.14 million plus a variable amount equal to the 20% of the investment required in order to develop the project, up to a maximum of US$ 6.9 million.

On September 7, 2011, APSA acquired additional shares which represent 8.185% of the voting capital in the amount of US$ 1.75 million. Furthermore, it agreed to modify the variable price of shares acquired in 2009 by setting it at 10% of any capital increase made in Arcos de Gourmet S.A.

The remaining unpaid balance as of September 30, 2011 is made up as follows: (i) one US$ 1 million installment, falling due on November 27, 2011 disclosed in Short-term debt and (ii) 100% of the variables amounts which will be paid off upon the possible increase of the capital.

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c. Acquisition of a commercial center goodwill

On December 28, 2007, APSA signed an agreement for Partial transfer of goodwill with INCSA for acquiring one of the part of the Goodwill established by a commercial center where Soleil Factory currently develops activities.

On July 1, 2010, APSA and INCSA executed the definitive instrument for the partial transfer of the goodwill and memorandum of closure by which INCSA transferred the goodwill of the commercial center known as Soleil Factory ; becoming operational on such date. Guidelines provide that INCSA does not transfer APSA the receivables or the payables from the goodwill transferred originated before executing the agreement. It should be noted that the goodwill and the building related to the hypermarket transaction located on the same premises are excluded from the transaction.

On April 12, 2011, the National Antitrust Commission notified APSA of its authorization of this transaction.

On August 3, 2011, INCSA granted the conveyance deed of the property to APSA. At the same time, APSA granted a first-grade privilege mortgage on the property to secure payment of the balance plus interest to be accrued up to the effective payment date.

The total price for this transaction is US$ 20.7 million. Out of this total, US$ 7.1 million were paid at the time of subscription of the purchase agreement, US$ 0.1 million at the time of recording the public deed, and the balance of US$ 12.6 million accrues an annual interest rate of 5% plus VAT. The interest will be repaid in seven annual and consecutive installments maturing the first installment on July 1, 2011. The capital will be settled with the last interest installment.

The above is disclosed in the accounts Short and Long term Debts for its net present value.

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Furthermore, APSA signed an offering letter for acquiring, building and running a commercial center in a real estate owned by INCSA, located in the City of San Miguel de Tucumán, Province of Tucumán. The price of this transaction is US$ 1.3 million, of which US$ 0.05 million were paid on January 2, 2008. Such disbursement was recorded as suppliers advance. This transaction was subject to certain conditions precedent, among which APSA should acquire from INCSA the goodwill constituted by the commercial center operating in Soleil Factory.

Having complied with such condition on July 1, 2010, APSA shall start the works on May 2, 2011. However, before starting with the works, INCSA should have: a) granted the title deeds to APSA s future units to APSA, and b) transferred to APSA the rights to the registered architectural project and the effective permits and authorizations to be carried out in APSA s future units. As of the date of issuance of these unaudited financial statements, any of the two conditions have been fulfilled.

d. Acquisition of Metroshop S.A. s shares (now known as APSAMEDIA S.A.)

On May 21, 2010, APSA and Tarshop S.A. executed an agreement to formalize the transfer of shares by which Tarshop S.A. has sold to APSA 18,400,000 registered nonendorsable shares of common stock with a face value of Ps. 1 each and entitled to 1 vote per Class A share representing 50% of Metroshop S.A. s capital stock. The transaction price was set al Ps.0.001 for the total shares.

On January 13, 2011, APSA and Metronec S.A. executed a share purchase agreement by which Metronec S.A. has sold to APSA 18,400,000 registered nonendorsable shares of common stock with a face value of Ps. 1 each and entitled to 1 vote per Class B share representing 50% of Metroshop S.A. s capital stock.

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As an action subsequent to the taking over, APSA S.A. made two offers to Tarshop S.A., later accepted by Tarshop S.A., to grant the following assets:

i) Receivables from consumption transactions carried out through December 31, 2010 and that are performing or in default for not more than 60 days (both those in Metroshop S.A. s own portfolio and those assigned to Fideicomiso Financiero Metroshop S.A. Serie XV- previous return of them).

ii) The contractual position in the credit card issuance agreements whose customers did not have as of December 31, 2010 a default for over 60 days in complying with their obligations.

iii) All credit card customers or accounts or clients

iv) Lease agreements on certain branches and their personal property.

v) Labor agreements for payroll personnel.

Finally, on April 18, 2011, APSA transferred to Fibesa S.A. (APSA s subsidiary) 1,840,000 shares, representative of 5% of Metroshop S.A. s capital stock for a total amount of Ps. 0.8 million which has not been paid in as of the unaudited financial statements date.

On July 20, 2011, the Special General Shareholders Meeting held by unanimous consent of Metroshop S.A. approved the change of corporate name to APSAMEDIA S.A. and the amendment of its corporate purpose to capitalize on market opportunities. APSAMEDIA S.A. will continue providing its services, which have been broadened in scope:

Consumer credit marketing and financing.

Issuance and marketing of credit cards.

Performance of any type of agency and representation.

Management of administrative, advertising and commercial activities.

Such amendments were registered with the Inspección General de Justicia (Corporate Record Office) on August 29, 2011, under number 17,795.

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As of September 30, 2011 APSA´s direct and indirect interest in APSAMEDIA S.A. represents 100%.

e. Purchase of TGLT S.A. s shares

On November 4, 2010, APSA acquired 5,214,662 registered, non-endorsable shares of common stock, entitled to one vote per shares, issued by the Company TGLT S.A. for a total amount equivalent to Ps. 47.1 million under the initial public offering of the later.

Thereafter, during fiscal year 2011, APSA acquired 1,017,284 additional shares for a total consideration of Ps. 9.2 million, thus reaching an 8.87% share in the capital stock of TGLT S.A. on the balance sheet date.

During the three-month period ended September 30, 2011, APSA acquired 262,927 additional shares for a total amount of Ps. 2.6 million, thus reaching 9.24% of the capital stock of TGLT S.A. at the end of such period.

NOTE 9: PURCHASE, SALE AND BARTER OF PROPERTIES

A. Agricultural Business

1. Acquisition and sale of land in the Republic of Bolivia

a. On June 3 and June 7, 2011 the Company subscribed contracts for the purchase of two lots, located in Santa Cruz, Bolivia, with a total extension of approximately 5,000 ha., which will be used for agricultural purposes.

The first lot corresponds to a field of approximately 2,660 ha. meant for the exploitation of sugar cane, whose purchase price amounts to US$ 8.4 million. On the subscription date of the corresponding contract, US$ 2 million were paid; the balance shall be cancelled in four installments, being the first due in July 2011 and the last one in October 2012.

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NOTE 9: (Continued)

The second lot corresponds to a field of approximately 2,340 ha. devoted to the exploitation of soybeans, whose purchase price amounts to US$ 5 million. Of this amount, US$ 1.7 million have already been paid and the balance shall be paid in four half-yearly and consecutive installments, being the first due in December 2011 and the last one in June 2013.

e. Additionally, the Company has agreed the sale of 910 ha. used for agricultural purposes for a total amount of US$ 3.6 million. The Company has received US$ 1 million of the total sale price, and the balance shall be collected in five half-yearly and consecutive installments, being the first due in December 2011 and the last one in December 2013.

2. Sale of farm San Pedro

On September 28, 2011 BrasilAgro sold farm San Pedro, a rural property located in the Municipio Chapadão do Céu GO with a total surface of 2,447 hectares, 1,724 hectares of which are used for agricultural purposes, for the equivalent in R$ to 580,000 soya seed bags. The sale is part of BrasilAgro business strategy, and seeks to derive both income from agricultural production and gains from the sale of real estate property.

The buyer made a down payment of R$ 2,250 (or Ps. 5,030), equivalent to 50,000 tons of soya. The balance is to be paid in five installments; the first one is due on March 30, 2012 and amounts to 160,000 soya bags, while the other four equal annual installments due on March 30 each year amount to 92,500 soya bags each. The deal was priced at R$ 26.1 million.

The property was acquired in September 2006 and the total amount invested for acquisition and development purposes was R$ 10.1 million.

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NOTE 9: (Continued)

As from September 30, 2011, in view of the long-term nature of the receivables, BrasilAgro expects to assess the value of receivables based on the future market price of soya on each installment payment date (or else based on estimates and quotes from brokers when/if there is no pricing in the futures market on the payment due date) and to determine the exchange rate US$/R$ on that same date (insofar as the soya futures price is denominated in US Dollars), so that the resulting value is then discounted to its net present value by using an average rate of 10.86% p.a. The adjustment to the present value of income made for the quarter ended September 30, 2011 amounts to R$ 2,809 (or Ps. 7,163).

B. Real Estate Business

1. IRSA

Acquisition of a building located at 183 Madison Avenue, New York, NY

On August 26, 2010, IRSA together with some U.S. partners, executed an acquisition of a real estate property located at 183 Madison Avenue, New York, NY, through Rigby 183 LLC (Rigby 183).

The transaction was closed on December 15, 2010 and the price paid by Rigby 183 was US$ 85.1 million, such payment has been structured through a financing of US$ 40.0 million obtained by Rigby 183 and the amount of US$ 45.1 million paid in cash. Moreover, Rigby 183 has obtained and additional financing of US$ 10.0 million, in order to perform refurbishments and improvements on the building, which is being disbursed according to the works progress.

On March 31, 2011, the Company sold 8% of its interest in Rigby 183, owned by Real Estate Strategies LLC (RES), a company indirectly controlled through Tyrus, in the amount of US$ 3.8 million. As a result, the Company has a 49% interest in Rigby 183 through IMadison LLC (IMadison).

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NOTE 9: (Continued)

The building is located in a Manhattan area known as Midtown South , at the intersection of Madison Avenue and 334th Street. There are several landmark buildings in the area, such as the Empire State Building, Macy´s Herald Square and Madison Square Garden. This commercial property will be used for rentals of office space and retail stores in the lowest of its 18 stories. Its net leasable area is approximately 22,000 square meters. Based on what has already been discussed, the implicit value per square meter as acquired has been US$ 3,717.

2. APSA

a. Acquisition of the building known as Ex- Escuela Gobernador Vicente de Olmos (City of Córdoba)

On November 20, 2006, APSA acquired through a public bidding the building known as Ex Escuela Gobernador Vicente de Olmos (Patio Olmos) located in the city of Córdoba for the amount of Ps. 32,522.

The building is under a concession agreement effective for 40 years, falling due in February 2032, which grants the concession holder the commercial exploitation of the property. Such agreement provides for paying a staggered fee in favor of the concession principal which shall be increased by Ps. 2.5 every 47 months. As of the issuance date of these financial statements, the concession is at the 235 month, with a current monthly fee of Ps. 15.1 while the next increase is scheduled for the 281 month.

On September 25, 2007 the transfer deed for the building was signed with the Government of the Province of Córdoba and the transference of the respective concession contract.

Afterwards, the government of the province of Córdoba declared the property to be of public use and subject to partial expropriation in order to be used exclusively for the Libertador San Martin theater. APSA has answered a complaint in an action and to challenge the law that declared such public interest on unconstitutional grounds. In the alternative, it has challenged the appraisal made by the plaintiff and, additionally, it has claimed damages not included in the appraisal and resulting immediately and directly from expropriation.

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NOTE 9: (Continued)

The property has been recorded as non-current investments.

b. Barter with Condominios del Alto S.A.

On October 11, 2007, APSA subscribed with Condominios del Alto S.A. a barter contract in connection with an own plot of land (plot 2 G), located in the City of Rosario, Province of Santa Fe.

As partial consideration for such barter contract, Condominios del Alto S.A. agreed to transfer the full property, possession and dominium in favor of APSA of the following future Real Estate: (i) fifteen (15) Functional Housing Units (apartments), with an own constructed surface of 1,504.45 square meters, which represent and will further represent jointly 14.85% of the own covered square meters of housing (apartments) of the building that Condominios del Alto S.A. will build in Plot G, and (ii) fifteen (15) Parking spaces, which represent and will further represent jointly 15% of the own covered square meters of parking space in the same building.

On March 17, 2010, APSA and Condominios del Alto S.A. subscribed a supplementary deed specifically determining the units committed for bartering that will be transferred to APSA and the ownership title to 15 parking spaces.

The parties have determined that the value of each undertaking is of US$ 1.1 million.

APSA also granted Condominios de Alto S.A. an acquisition option through barter of plot 2 H. On November 27, 2008, the title deed for the plot of land 2 H was executed for US$ 2.3 million, a value that the parties have determined for each of their considerations.

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NOTE 9: (Continued)

As partial consideration for the above mentioned barter, Condominios del Alto S.A. agreed to transfer the full property, possession and ownership in favor of APSA of the following future real estate: (i) forty two (42) Functional Housing Units (apartments), which represent and will further represent jointly 22% of the own covered square meters of housing (apartments) of the building that Condominios del Alto S.A. will construct in Plot H; and (ii) forty seven (47) parking spaces, which represent and will further represent jointly 22% of the own covered square meters of parking space units in the same building.

On April 14, 2011 APSA and Condominios del Alto S.A. subscribed a supplementary deed which specifies the Functional Housing Units (apartments) that were compromised in the barter transaction agreement that should be transferred to APSA and the ownership title of the 45 parking spaces and 5 storage rooms.

c. Barter transaction - Beruti plot of land

On October 13, 2010, TGLT and APSA subscribed an agreement of purchase with a condition precedent by which APSA sells a plot of land located on Beruti 3351/59. The transaction was agreed upon at US$ 18.8 million. TGLT plans to construct a department building with residential and commercial parking spaces. In consideration, TGLT S.A. commits to transferring APSA: (i) a number to be determined of departments representing altogether 17.33% of proprietary square meters that may be sellable in departments in the building to be constructed; (ii) a number to be determined of complementary/functional parking units representing altogether 15.82% of square meters in parking in the same building; (iii) all units earmarked for commercial parking and the amount of US$ 10.7 million payable upon granting the title deed.

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NOTE 9: (Continued)

In compliance with what was agreed upon in the previously mentioned agreement of sale, on December 16, 2010, it was executed the title deed by which APSA transfer the entire ownership and title to TGLT S.A. to the previously mentioned plot of land. TGLT cancelled the money obligation and constituted in favor of APSA a mortgage on the real estate, as collateral for the fulfillment of the remaining obligations.

The above is disclosed in Inventories and Property and equipment.

On June 9, 2011, the Administrative and Tax Contentious Law Court No. 9 of the City of Buenos Aires issued a precautionary measure in the lawsuit Asociación Amigos Alto Palermo vs. the Government of the City of Buenos Aires for Amparo , which ruled the suspension of the works.

On July 4, 2011, the Government of the City of Buenos Aires complied with what was required. On July 11, 2011, the hearing judge granted the injunction requested. Such injunction was temporarily granted until the parties produce all of the evidence offered and such evidence as may be requested by the Court at the adequate time.

On July 15, 2011, TGLT S.A. filed an review remedy against the ruling that ordered the injunction, which was granted on the same date.

Moreover, on August 3, 2011, APSA filed an appeal against the first instance ruling that granted the injunction and suspended construction works. Such appeal was lodged with the Court of Appeals, Division II, and has not been decided upon yet. Furthermore, on August 15, 2011 the answer to the complaint in due time and form was acknowledged.

d. Barter with Cyrsa S.A.

On July 31, 2008, a conditioned barter commitment was executed by which APSA would transfer Cyrsa S.A. (Cyrsa) 112 parking spaces and the rights to increase the height of the property to build a two tower in preserve on the air space COTO.

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NOTE 9: (Continued)

On December 17, 2010, APSA and Cyrsa signed an agreement in order to finish off the barter agreement.

e. Plot of land Paraná:

On June 30, 2009, APSA subscribed a Letter of Intent by which it stated its intention to acquire a plot of land of about 10,022 square meters located in Paraná, Province of Entre Ríos, to be used to build, develop and exploit a shopping center or mall.

On August 12, 2010, the agreement of purchase was executed. The purchase price stood at US$ 0.5 million to be paid as follows:

i) US$ 0.05 million was settled as prepayment on July 14, 2009,

ii) US$ 0.1 million was settled upon executing such agreement, and

iii) US$ 0.35 million will be paid upon executing the title deed.

The advance payments are disclosed as fixed assets.

The title deed, at the same time of surrendering ownership, will be executed within 60 days running as from: i) the date on which the Company obtain the municipal clearance, or ii) the date on which the seller obtain the lot subdivision, whichever later. On March 18, 2011, the Municipality of Paraná granted the clearance to make the shopping mall. As of the date of issuance of these unaudited financial statements, the subdivision has been performed and the term for obtaining the public deed has begun.

APSA will be the only party in charge of carrying out administrative formalities before the Municipality and/or other agency to obtain the municipal clearance for using the shopping mall. It will bear all costs and expenses related to obtaining the municipal preclearance.

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NOTE 9: (Continued)

f. Plot of land Rosario

APSA has subscribed the following acceptance offers for the plot of land of the building located in the District of Rosario, City of Rosario, Province of Santa Fe.

Lots	Offer acceptance	Agreed price (in thousands of US$)	Collected amount as of 06/30/11 (in thousands of US$)	Title deed s date
2 A	04/14/2010	4,200	4,200	05/26/11
2 E	05/03/2010	1,430	1,430	09/29/10
2 F	11/10/2010	1,931	1,255	07/06/11
2 B	12/03/2010	1,507	1,507	08/11/11
2 C	12/03/2010	1,507	1,507	08/11/11
2 D	12/03/2010	1,539	256	

The lots subject to these transactions have been recorded to the inventory account.

g. Acquisition of Nuevo Puerto Santa Fe S.A.´s shares

On June 15, 2011, APSA acquired on its own and by means of its subsidiary Torodur S.A. (buyers) from Boldt S.A. and Inverama S.L. (sellers) 50% of the shares of Nuevo Puerto de Santa Fe S.A. (NPSF), a Company lessee of a property that houses a shopping mall (la Ribera Shopping) located on the Port of the city of Santa Fe, Province of Santa Fe.

The purchase price for that acquisition is US$ 4.5 million payable in up to 19 installments with no interests, being the last installment due on February 2013, disclosed at its present value in Loans.

Additonally, the purchasers will pay to the sellers, proportionally to the shares purchased, fifty (50%) of the working capital calculated on the purchase agreement, which will stem from the special closing financial statements of Nuevo Puerto de Santa Fe S.A.. The later will prepare them as a supplement to the price.

The purchase of shares of NPSF was contingent upon the approval by the Regulatory Entity of the Port of Santa Fe of the share composition of NPSF provided, in addition, that the Caja de Asistencia Social Lotería de Santa Fe will not raise any challenge against the transaction.

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NOTE 9: (Continued)

As of August 18, 2011, once this condition was met the actual transfer of shares was completed. Furthermore, NPSF and Casino Puerto de Santa Fe entered into a sublease agreement which replaces the previous lease agreement originally held by NPSF. APSA became owner of 33.33% of the capital stock, which added to the 16.66% owned by its controlled affiliate Torodur, represent 50% of the voting capital of NPSF. Likewise GRAINCO S.A. owns the remaining 50% of the capital stock.

NOTE 10: GRANTED GUARANTEES OF FYO.COM

By means of brokerage of agreement with guarantee, FyO.Com assumes before the purchaser the obligation to comply with the agreement in the event the seller did not deliver the merchandise. This compliance is implemented by returning the amounts agreed upon by such transaction that may be pending delivery, as well as the price difference that may arise between the price at which the agreement was executed and the price of the merchandise on the date the agreement is cancelled.

As of September 30, 2011 and June 30, 2011, the balance of brokerage transactions carried out by means of such agreement with guarantee, which was pending delivery, within the established contractual terms, amounted to Ps. 13.649 and Ps. 20,369 respectively.

As of September 30, 2011 and June 30, 2011, there are no agreements that failed to be complied with for which FyO.Com may have been claimed in its capacity of guarantor.

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NOTE 11: CONVERTIBLE AND NON CONVERTIBLE NOTES AND CAPITAL PROGRAM

A. Real Estate Business

1. IRSA

Convertible Notes - Due date 2017

In February 2007, IRSA issued non-convertible Notes (Non-convertible notes - 2017) for US$ 150 million to become due in February 2017 under the framework of the Global Program for Issuing Non convertible notes (the Program) in a face value of up to US$ 200 million authorized by the Comisión Nacional de Valores. Non-convertible notes - 2017 accrues an annual fixed interest rate of 8.5%, payable every six months, starting in August, 2007. The principal will be fully paid on maturity. Non convertible notes - 2017 contains customary covenants including restrictions to pay dividends in accordance with certain limits.

On February 25, 2010, the IRSA´s Board of Directors approved the extension of the maximum face value of the program by an additional US$ 200 million, reaching a total amount of US$ 400 million, as approved by the Ordinary Meeting of Shareholders held on October 29, 2009.

Within this framework, on July 20, 2010, IRSA issued non-convertible notes for a face value of US$ 150 million (Non-convertible Notes Class II) maturing on July 20, 2020. The issuance price was 97.838% of the par value and they accrue interest at a nominal interest rate of 11.5% per annum, to be paid semi-annually on January 20 and June 20 each year, starting on January 20, 2011. The expenses related to the issuance amounted to Ps. 7.1 million.

On November 2, 2010, the General Shareholders Meeting approved a new expansion of the Program in force for up to a further US$ 50 million bringing it to US$ 450 million.

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NOTE 11: (Continued)

2. APSA

a. Issuance of convertible notes

On July 19, 2002, APSA issued Series I of Convertible Notes (ONC) for up to US$ 50 million with a face value of Ps. 0.1 each. That series was fully subscribed and paid-up.

This issuance was resolved at the Ordinary and Extraordinary Meeting of Shareholders held on December 4, 2001, approved by the Comisión Nacional de Valores Resolution No. 14,196 dated March 15, 2002 and authorized to list for trading on the Buenos Aires Stock Exchange on July 8, 2002.

The main issue terms and conditions of the Convertible Notes are as follows:

Issue currency: US dollars.

Due date: July 19, 2014

Interest: at a fixed nominal rate of 10% per annum. Interest is payable semi-annually

Payment currency: US dollars or its equivalent in pesos.

Conversion right: the notes can be converted at any time at the option of each holder into ordinary shares at a conversion price equivalent to the higher of the result from dividing the face value of the Company s shares (Ps. 0.1) by the exchange rate and US$ 0.0324, which means that each note is potentially exchangeable for 30,864 shares of Ps. 0.1 par value each.

Right to collect dividends: the shares underlying the conversion of the Convertible Notes will be entitled to the same right to collect any dividends to be declared after the conversion as the shares outstanding at the time of the conversion.

On October 7, 2010, the holders of Convertible Notes into APSA´s shares exercised the conversion right, issuing 477,544,197 shares of common stock, with a face value of Ps. 0.1 each and retiring Notes for a face value for US$ 15.5 million. As from the conversion, the number of APSA S shares went from 782,064,214 to 1,259,608,411.

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NOTE 11: (Continued)

On September 21, 2011, holders of notes convertible into APSA s shares exercised their conversion rights issuing 277,777 shares of common stock with a face value of Ps. 0.1 each and retiring notes for a face value of US$ 0.009 million. As from the conversion, the number of the Company shares went from 1,259,608,411 to 1,259,886,188.

Thus, since the issuance of the program, the holders of APSA s Notes (Convertible into ordinary shares) exercised the conversion rights for a total of US$ 18.4 million, issuing ordinary shares with a face value of Ps. 0.1 each.

As of September 30, 2011, APSA s Convertible Notes amounts to US$ 31.8 million, mainly held by IRSA.

b. Issuance of non-convertible notes

On May 11, 2007, APSA issued two series of notes for a total amount of US$ 170 million.

Series I corresponds to the issuance of US$ 120 million maturing on May 11, 2017, which accrue interest at a fixed rate of 7.875% paid semiannually on May 11 and November 11 of each year as from November 11, 2007.

Series II corresponds to the issuance of Ps. 154,020 (equivalent to US$ 50 million). Principal will be settled in seven, equal and consecutive semi- annual installments as from June 11, 2009, and accrues interest at 11% per annum, maturing on June 11, and December 11 of each year as from December 11, 2007.

As of September 30, 2011 total Series I and Series II Notes repurchased by APSA amount to US$ 10.0 million and US$ 1.4 million, respectively. Such notes had been valued at face value and are disclosed netting the current and non-current capital and interest owed.

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NOTE 11: (Continued)

The Company holds corporate notes Series II for an amount of Ps. 13.3 million.

These issuances correspond to classes 1 and 2 within the Global Program for Issuing Negotiable Obligations, having a face value of up to US$ 200 million authorized by the Comisión Nacional de Valores Resolution No. 15,614 dated April 19, 2007.

The APSA´s Shareholders Meeting held on October 29, 2009 approved the increase in the amount of the Global Program for the Issuance of Notes in place up to US$ 200 million. It also approved the creation of the Global Program for the issuance of securities representing short-term debt (VCP) in the form of simple notes not convertible into shares, denominated in pesos, US dollars or any other currency with unsecured, special, floating and/or any other guarantee, including third party guarantee, either subordinated or not, for a maximum outstanding amount at any time that may not exceed the equivalent in Ps. of US$ 50 million.

Under such Global Issuance Program of Notes, on November 10, 2009, the placement of the Second Series of Notes for a total value of Ps. 80.7 million was completed in two series.

Series III relates to the issuance of Ps. 55.8 million maturing on May 12, 2011, which accrue interest at variable BADLAR plus a 3% margin payable on a quarterly basis.

On May 12, 2011, APSA made the last payment of interest and paid off all of the principal of such issuance.

Series IV relates to the issuance of Ps. 24.9 million (equivalent to US$ 6.6 million) maturing on May 12, 2011, which accrues interest at a fixed 6.75% rate applied to the principal in US dollars, payable on a quarterly basis.

On May 12, 2011, APSA made the last payment of interest and paid off all of the principal of such issuance.

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NOTE 11: (Continued)

c. Capital increase

On May 26, 2011, the Ordinary and Extraordinary Shareholders Meeting of APSA resolved as follows:

Capital stock increase of up to Ps. 108 million through the issue of up to 1,080,000,000 new common shares of par value Ps. 0.10 each, on one or many offerings, with a share premium or not and with one voting right per share, with dividend rights in equal conditions as the rest of the outstanding shares at the issuing date, following a public offering in the country or abroad. The meeting established the parameters under which the Board of Directors will settle the share premium, with a range of prices for the share, being the minimum price Ps. 25.6133 per share of par value Ps. 1 or US$ 25.1 per ADS and a maximum price of Ps. 75 per share of par value Ps. 1 or US$ 73.4970 per ADS.

Delegation on the Board of Directors of the power to define all the terms and conditions of the issuing process in one or several offerings, not expressly determined in the Shareholders Meeting with the power to sub-delegate on one or more than one director or manager, or the people that they authorize.

Reduction of the term to exercise the preemptive subscription right and the accretion right to up to 10 working days, as provided by section 194 of Act No. 19,550 and the regulations in force, delegating on the Board of Directors the most extensive powers in order to fulfill the capital stock increase.

Approval of the terms and conditions of the repurchase offering in the context of the capital increase and subject to the effective fulfillment of this of the outstanding convertible Corporate Bonds with par value US$ 31,755,502, for the amount of US$ 36.1 million, equivalent to US$ 1.13666 per Corporate Bond.

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NOTE 12: SIGNIFICANT EVENTS

A. Agricultural Business

a) BrasilAgro - Maeda. Changes in Jaborandi Ltda. contract

On September 26, 2011, BrasilAgro released a communication note in the market to clarify that its participating stake in Jaborandi S.A., owner of Fazenda Jatobá, was not modified and thus BrasilAgro and Maeda still retain 90% and 10%, respectively, of the Jaborandi Ltda. company. Jaborandi Ltda. is an operator intended to develop and plant in Finca Jatobá, which ownership structure has been modified from 75% owned by BrasilAgro and 25% owned by Maeda, to a 50-50 structure between both parties.

On September 22, 2011 BrasilAgro executed an amendment to the ownership agreement of Jaborandi Ltd., whereby it assigns and transfers 1,766,038 of the shares in the Company s capital. Following this transfer, BrasilAgro holds 14,572,661 shares and Maeda 7,212,271 shares. This transaction led to an investment loss in BrasilAgro s results of operations of R$ 1,135 (equal to Ps. 2,894). On that same date, as indicated in the Minutes of the Meeting of Shareholders, a decision was made to reduce the capital stock by R$ 12,508 (or Ps. 28,369) by means of redemption and cancellation of 12,508,586 shares. Of this total, R$ 7,775 (or Ps. 17,634) result from a capital reduction to offset against retained deficit by BrasilAgro while R$ 4,733 (or Ps. 10,735) were repaid to BrasilAgro for they related to capital in excess in relation to the Company s purpose. Consequently, the capital stock of Jaborandi Ltd. was increased to R$ 9,276 (or Ps. 21,039) and is composed of 9,276,346 shares, 50% of which are held by BrasilAgro while the remaining 50% is held by Maeda, so that each shareholder would have a 50% stake in the company, that is, 4,638,173 shares.

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NOTE 12: (Continued)

b) Green Ethanol

In May 2007 BrasilAgro acquired a 49.9% stake in Green Ethanol LLC Green Ethanol (formerly Tarpon Ethanol LLC). Green Ethanol held 2.47% of the capital stock of Brenco , a privately-held Brazilian company which started up operations in 2007 in the sugar and ethanol segment. In September 2008, Green Ethanol reduced its share in Brenco to 1.55% and in December 2008 it increased it to 3.8% of Brenco capital stock. BrasilAgro, who saw its share diluted to 40.64% in Green Ethanol did not follow suit. In February 2010, ETH _ Bionenergía acquired substantially all the capital stock of Brenco, thus diluting Green Ethanol s share to 0.046%.

As a result, BrasilAgro has a share of 40.64% in Green Ethanol; however, it would not have a material influence. The social contract of Green Ethanol provide the controlling interest, as well as the voting rights on administrative and financial matters and decision making are vested on another investor.

B. Real Estate Business

1. IRSA

a. Investment in Banco Hipotecario S.A.

Exposure to the non-financial public sector

Banco Hipotecario S.A. has assets with the non-financial public sector for Ps. 623,288 booked in its financial statements, according to the following detail:

a) Government bonds, net of allowances, for Ps. 549,549;

b) Loans to the national, provincial and municipal non-financial public sector for Ps. 50,879;

c) Other receivables derived from financial intermediation for Ps. 22,860 pertaining to debt securities from the Financial Trusts SISVIAL.

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NOTE 12: (Continued)

Through Communication A No. 4546 of July 9, 2006, it was established that as from July 1, 2007, assistance to the Public Sector by all means (average) shall not exceed 35% of the total Asset as of the last date of the previous month.

As of September 30, 2011 and June 30, 2011 assistance to the Public Sector reached 5.4% and 5.8%, from total Assets, respectively.

Banco Hipotecario S.A.´s treasury Shares

In the course of the fiscal year ended on June 30, 2009 and with the Total Return Swap dated January 29, 2004 having expired, Banco Hipotecario S.A. received treasury shares Class D totaling 71.1 million.

On April 30, 2010, the Extraordinary General Shareholders Meeting of the Banco Hipotecario S.A. resolved to delegate upon the Board of Directors of the Bank the decision to pay with the treasury shares in portfolio the DAA or StAR coupons resulting from the debt restructuring as advisable based on the contractually agreed valuation methods and their actual market value after allowing the shareholders to exercise their preemptive rights on an equal footing.

On June 16, 2010, the Board of Directors of Banco Hipotecario offered to sell 36 million of its treasury Class D shares to its existing shareholders. On July 26, 2010, in the framework of the offering, the Bank sold approximately 26.9 million of its treasury Class D shares. On August 3, 2010, the Bank applied the proceeds from the offering and the remaining Class D shares to the cancellation of the StAR coupons maturing on that date.

On April 13, 2011, the Special Shareholders Meeting of Banco Hipotecario decided to authorize the Board of Directors to sell treasury shares in the open market, reducing to ten days the term established for the exercise of pre-emptive rights, which term is not applicable where the sale of shares does not exceed 1% of the Company s capital stock in any given period of 12 months.

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Notes to the Consolidated Financial Statements (Continued)

(In thousands of pesos)

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NOTE 12: (Continued)

The Company s Banco Hipotecario treasury shares still in its portfolio amount to 36.6 million and entail an increase in IRSA s ownership interest. As considered for valuation purposes, they have risen from 29.77% to 30.51%.

Banco Hipotecario s General Annual Shareholders Meeting, held on April 13, 2011 approved the payment of dividends for a total amount of Ps. 100 million, equivalent to 6.66667% of the capital stock or Ps. 0.068335 per outstanding share of par value Ps. 1, corresponding to the fiscal year ended on December 31, 2010.

The availability of this dividend is liable to BCRA s approval in accordance with the regulation disclosed by Communication A 5072, its amendments and complementary regulations. The BCRA has not yet issued its approval.

As per the Company s holding, it is entitled to Ps. 30.5 million.

b. Transactions pending solution by the Argentine Antitrust Commission

On November 20, 2009, after the sale of the building Edificio Costeros (Dock II), IRSA applied to the CNDC for a consultative opinion on whether IRSA had to notify that transaction or not. The CNDC found that there was an obligation to notify the same, but IRSA appealed that decision. As of the date of issuance of these financial statements, the CNDC had not yet handed down a resolution.

In addition, as regards the acquisition of Torre Bank Boston, on August 30, 2007 IRSA applied to the CNDC for a consultative opinion as to whether IRSA had to notify the transaction. On November 22, 2007 the CNDC stated that there was indeed a duty to notify the transaction. IRSA filed an appeal against this decision. The resolution from the matter in court was favorable to the CNDC. On November 3, 2010 was notified to the CNDC. As of the date of issuance of these financial statements, the authorization is in process of notificating the operation.

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NOTE 12: (Continued)

2. APSA

a. Financing and occupation agreement with NAI INTERNATIONAL II, INC.

On August 12, 1996 Empalme S.A.I.C.F.A. y G. (merged into Shopping Alto Palermo S.A. as from January 1st, 2009) executed an agreement with NAI INTERNATIONAL II, INC. (subsequently transferred to NAI INTERNACIONAL II, INC. Branch Argentina) by means of which the later granted a loan for an original principal of up to US$ 8.2 million for the construction of a multiplex cinema and part of the parking lot located in the premises of Córdoba Shopping, Villa Cabrera which are disclosed in Property and Equipment, net.

According to the agreement of occupation related to the loan contract, the amounts due are set off against payments generated by the occupation held by NAI INTERNATIONAL II, INC. of the building and the area known as cinema. The agreement provides that if after October 2027, there still is an unpaid balance of the loan plus respective interest thereon, the agreement will be extended for a final term established as the shorter of the term required to fully repay the unpaid loan amount, or ten years.

If once the last term has elapsed and there still is an unpaid balance, APSA will be released from any and all obligation to pay the outstanding debt.

On July 1, 2002 a new amendment to the agreement was established, whose most important resolutions are as follows:

- The outstanding debt was de-dollarized (Ps. 1 = US$ 1)

- An antichresis right was created and it was established that all obligations assumed by Empalme S.A.I.C.F.A. y G. under the agreement by which the normal use and operation of the cinema center is warranted to NAI INTERNACIONAL II, INC., including those obligations involving restrictions on the use or title to property by Empalme S.A.I.C.F.A. y G. or third parties, shall be comprised in the previously mentioned property right.

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NOTE 12: (Continued)

Principal owed as of September 30, 2011 and interest accrued unpaid through that date, due to the original loan agreement and respective amendments are disclosed under Customers advances - Lease advances together with other advances not included in this agreement.

b. Neuquén Project

The main asset of Shopping Neuquén S.A., controlled by APSA, is a plot of land of 50,000 square meters approximately, in which a mixed use center would be built. The project includes the building of a shopping center, cinemas, a hypermarket, apartments, private hospital and other compatible purposes.

On December 13, 2006, Shopping Neuquén S.A. entered into an agreement with the Municipality and with the Province of Neuquén by which, mainly, the terms to carry out the commercial and residential venture were rescheduled and authorized Shopping Neuquén S.A. to transfer to third parties the title to the plots of land into which the property is divided, provided that it is not that one on which the shopping center will be built.

Such agreement put an end to the case Shopping Neuquén S.A. vs. Municipalidad de Neuquén in re: procedural administrative action , lodged at the High Court of Neuquén. Lawyers fees shall be borne by the company, which although they have been established are not yet final.

On July 5, 2010, Shopping Neuquén S.A. began the committed works for the first stage, which should be completed at a maximum 22 month terms starting upon beginning construction. In the case of failing to comply the conditions established in the agreement, the Municipality is entitled to terminate the agreement and carry out the actions that may be considered necessary for such respect, among them, to request the return of the Company´s plots acquired to the Municipality.

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NOTE 12: (Continued)

On April 15, 2011 the Company entered into an agreement with Gensar S.A. whereby the later is entitled to buy one of the plots of land that form part of the commercial undertaking of mixed use next to which the Company is building a shopping center. In this plot of 14,792.68 square meters, Gensar S.A. agreed to build and operate a hypermarket that initially will be of the Coto chain. To such effect, Gensar S.A. has taken possession of the above indicated plot of land.

On September 16, 2011 it executed a deed for the conveyance of title on such plot of land in favor of Gensar S.A., which deed is currently in the process of being registered with the relevant Real Estate Regulatory Entity.

c. Contributed leasehold improvements - Other liabilities

In March 1996 Village Cinema S.A. inaugurated ten multiplex system cinema theatres, with an approximate surface of 4,100 square meters. This improvement of the building of Mendoza Plaza Shopping S.A. was capitalized with a balancing entry as a fixed asset, recognizing the depreciation charges and the profits over a 50-year period. The lease is for a time limit of 10 years to be renewed every four equivalent and consecutive periods, at the option of Village Cinema S.A.. At the end of period / year the remaining pending accrual shown under other liabilities, in line improvements made by others to be accrued.

d. Compulsory expropriation order of the lot owned by Canteras Natal Crespo

On April 8, 2011, Canteras Natal Crespo S.A. (Canteras) and Caminos de las Sierras S.A. (Caminos) subscribed an agreement by means of which Canteras granted Caminos an occupation permit and the possession over a piece of land of approximately 2 ha. 8,250 square meters (portion), located on provincial road E-55 in the Province of Córdoba, so that Caminos performed the works necessary for the toll road, based on the Concession agreement subscribed with the provincial Government.

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NOTE 12: (Continued)

With the aim of completely and adequately affecting the area to road works to be performed by Caminos, the land will be subject to the Compulsory Expropriation Regime ruled by Provincial Act No. 6,394 and its complementary rulings. The management and fulfillment of all the requirements provided by this Act will be exclusively in charge of Caminos, who shall start the proceedings within ninety (90) days as from the date of subscription of the Agreement.

The appraisal of the piece of land will be in charge of the Provincial General Appraisal Council (Council) or the organization and/or entity established to replace it. Caminos has committed to the payment of compensation resulting from the appraisal performed by the Council plus 10% of the amount (compensation). As advance payment, Caminos gave the amount of Ps. 0.8 million. Once the appraisal is performed, Caminos shall pay Canteras the positive difference resulting from the compensation and the advances. The payment term shall be ninety (90) days from the Council s resolution. Should the compensation be less than the amount advanced by Caminos, the amount already collected by Canteras will automatically be the final value for the piece of land and the existing difference shall be considered as repayment for the damages immediately and directly derived from the expropriation. As of the date these financial statements were issued, Canteras had granted Caminos the possession of the piece of land.

e. Concession Amendment Agreement of Arcos del Gourmet S.A.

On September 6, 2011, Arcos del Gourmet S.A. entered into a Concession Amendment Agreement with ADIF whereby the term of the concession was extended until December 31, 2030, with the right to one extension of 3 years and four months as from such date, and a subsequent extension of three additional years. The term to carry out the works and open up the shopping mall to be developed in the plot of land was set at two years, as from the date of execution of the agreement.

The monthly royalty payable for the concession was set at Ps. 0.2 million (plus VAT) until December 31, 2025 and steps up to Ps. 0.25 million as from January 1, 2026 (plus VAT). Notwithstanding the above, thereafter and until expiration of the concession term, royalties shall be priced every two years.

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NOTE 12: (Continued)

In addition, Arcos del Gourmet S.A. agrees to pay any amount necessary for the construction of the new Palermo station, budgeted at an estimated amount of Ps. 9.7 million (plus VAT).

To secure performance of the Agreement with ADIF, Arcos del Gourmet S.A. agreed to take out a performance bond insurance in the amount of Ps. 4,460, make an escrow deposit in cash in the amount of Ps. 400 and take out another performance bond insurance in favor of ADIF to secure due and timely performance of works therein agreed in the amount of Ps. 14,950.

This agreement would supersede that executed in the ONABE.

NOTE 13: SALES OF BUILDINGS

Real Estate Business

On July 7, 2011, the Company subscribed a sale agreement of some offices at Libertador 498. The agreed total price is US$ 2.5 million to be paid as per the following: a) US$ 0.75 million at the time of subscription of the sale agreement, b) US$ 1.25 million at the time of recording the public deed and granting possession (which took place on October 17, 2011), c) US$ 0.1 million on October 28, 2011 and d) US$ 0.4 million on April 27, 2012. To secure the payment of the balance, the purchaser constituted a first-degree privilege mortgage on the property, in favor of the Company. As of September 30, 2011, the Company recorded a profit of Ps. 8.1 million derived from the measurement of the properties at their net realizable value.

On September 7, 2011, the Company subscribed a sale agreement of the property Thames . The total transaction price amounts to US$ 4.7 million. Out of this total, US$ 1.0 million have been collected at the time of subscription, and the balance of US$ 3.7 million were collected at the time of recording the public deed and granting possession, which took place on October 25, 2011. The result for this transaction amounts to US$ 3.8 million.

Both properties were classified as investment properties until the above mentioned transactions were executed, which represents a gross lease area of approximately 33,900 square meters. As of September 30, 2011, these assets were reclassified to inventory, in accordance with the Company s disclosure policies.

During the three-month period ended on September 30, 2011, no offices were sold.

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NOTE 14: CAPITALIZATION PROGRAM FOR EXECUTIVE MANAGEMENT

As of September 30, 2011 Cresud and IRSA had made contributions to the capitalization program for executive management that amount Ps. 2.784.

NOTE 15: EXECUTIVE STAFF´S FEES

Agricultural business

Stock Purchase Option Plan

Pursuant to the provisions of the Corporate Bylaws, BrasilAgro has a Stock Option Plan (the Plan) in place approved by the General Shareholders Meeting, which seeks to integrate executive staff to the company s development process in the medium and long term. This Plan is administered by the Remunerations Committee and the awards are subject to the approval of the Board of Directors.

In the Special Shareholders Meeting held on October 29, 2008 a Stock Option Plan was approved by the Company (Stock Options).

Under the Stock Option Plan, the Board of Directors is entitled to:

Create and apply general rules governing the award of stock options under this Plan and solve any interpretation issues that may arise in relation to the Plan;

Define performance targets applicable to Managers and Executives of the Company and its controlled affiliates, in order to establish objective eligibility criteria to take part in the Plan.

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NOTE 15: (Continued)

Choose eligible Participants to the Plan and authorize the award of stock options to such Participants, establishing all the conditions governing the options to be awarded, and to modify such conditions where necessary in order for the options to comply with applicable laws and regulations.

Issue new shares of BrasilAgro not to exceed the authorized stock limit as a result of the exercise of such stock options by Participants.

The stock options to be awarded under the Plan shall entitle the holders to the purchase of an amount of shares not to exceed, at any time, the maximum cumulative limit of 2% of the company s issued shares, with the minimum price being the average listed price of the Company s shares in the San Pablo Stock Exchange (BOVESPA) based on the weighted trading volume of the last thirty trading days before the option award.

On August 11, 2010 the Board of Directors approved the creation of the Options Award Program No. 1 (the Program), under which the Board of Directors is authorized to award stock options to eligible beneficiaries chosen on that occasion. The Program defines the beneficiaries, the number of shares that each of them may acquire upon exercising their stock option rights, the exercise price per share to be paid in cash by the beneficiaries and the stock option conditions.

Upon exercise, each option entitles the beneficiary to purchase 1 share of stock of BrasilAgro at the exercise price established in the Program. The Program involves 5 beneficiaries and the award of 370,007 shares at an exercise price of Rs. 8.97 per share, and they may be fully exercised as from August 12, 2012 (vesting date) for a term of three years as from the vesting date. On September 30, 2011 there were no options outstanding.

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NOTE 16: DERIVATIVE FINANCIAL INSTRUMENTS

Real Estate Business

Futures - HASA

In order to reduce financing costs related to loans granted by Standard Bank Argentina S.A., HASA entered into non-deliverable forwards (NDF) for the purchase of US Dollars. During the three-month period ended September 30, 2011, the Company has recognized a loss on such transactions that amounts to Ps. 74 included under Other holding gains/losses of the income statement.

Futures - APSA

During the period APSA entered into hedge transactions which resulted in an unrealized loss of Ps. 1,222 and is accounted for under Other financing expense in the Statement of Income.

The table below lists financial derivative transactions conducted during the period and the corresponding gains/losses thereon:

Futures	Bank	Amount US$	Due date	Gain
Unsettled transactions				
Purchase of dollars	Banco Santander Río S.A.	6,000	11/30/2011	(200)
Purchase of dollars	Standard Bank Argentina S.A.	5,000	12/31/2011	(459)
Purchase of dollars	Standard Bank Argentina S.A.	5,000	01/31/2011	(563)
Sub-total				(1,222)
Settled transactions				
Gain on hedging operations				(1,222)

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NOTE 17: SUBSEQUENT EVENTS

Creation of Consumo Centro -private financial trust-

On October 7, 2011, APSAMEDIA S.A., as trustor, together with Comafi Fiduciario Financiero S.A., acting as Trustee of the Fideicomiso Financiero Privado Yatasto , as Original Holder, created a private financial trust called Consumo Centro , which was assigned by APSAMEDIA S.A. under trust the legal ownership of certain receivables that were not in good standing, including included consumer loans, credit card receivables and refinanced receivables generated by APSAMEDIA S.A. in the ordinary course of business, and which shall issue pass-through in favor of the Original Holder. The receivables assigned under trust amount to Ps. 39.3 million approximately.

As from such assignment, APSAMEDIA S.A. will assume no liability whatsoever for the creditworthiness or repayment capacity of any of the debtors, or for the success or failure to collect such receivables, or for compliance by debtors of obligations assumed in relation to such receivables.

The price of the Assignment in Trust amounts to Ps. 1.9 million. Such price less the sums of money received as payment by APSAMEDIA S.A. between August 26, 2011, cutoff date, and September 30, 2011, which amount to Ps. 0.15 million, were transferred on October 7, 2011 to a pesos-denominated checking account held by APSA at Banco Comafi for a total amount of Ps. 1.8 million.

The Pass-Throughs will be issued by the Trustee for a total nominal value of Ps. 1.9 million; they will not be registered for public offering or listing in the Stock Exchange, nor will a credit rating be applied for. The Pass-throughs will be exclusively secured and the solely source and payment mechanism will be the amounts collected by the Trustee under the assets held in trust.

Arcos del Gourmet S.A.

A Shareholders Meeting of Arcos del Gourmet S.A. was held on October 5, 2011, which finally approved Arcos del Gourmet S.A.´s financial statements for the fiscal year ended June 30, 2011. Such Meeting was adjourned and on November 4, 2011 approved a capital increase of up to Ps. 11,000 with a subscription price of Ps. 0.00387 per shares, which includes Ps. 0.001 par value per share and Ps. 0.00287 as share premium per share; the Shareholder Meeting also approved payment of subscription price by the capitalization of existing irrevocable contributions, the debt-for-equity swap involving some loan agreements granted by APSA plus accrued interest, with the balance being paid-in in cash. As of the issuance date of these unaudited financial statements, the mandatory publications are being made for shareholders to have the chance to exercise their preemptive rights.

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Corresponding to the three-month periods

ended September 30, 2011 and 2010

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Balance Sheet as of September 30, 2011 and 2010 and as of June 30, 2011

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	September 30, 2011 (Notes 1 y 2)	June 30, 2011 (Notes 1 y 2)	September 30, 2010 (Notes 1 y 2)			September 30, 2011 (Notes 1 y 2)	June 30, 2011 (Notes 1 y 2)	September 30, 2010 (Notes 1 y 2)
ASSETS					**LIABILITIES**			
CURRENT ASSETS					**CURRENT LIABILITIES**			
Cash and Banks (Note 8.a.)	96,401	3,616	21,102					