CRESUD INC
Form 6-K
May 24, 2010
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

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

THE SECURITIES EXCHANGE ACT OF 1934

For the month of May, 2010

CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA

FINANCIERA Y AGROPECUARIA

(Exact name of Registrant as specified in its charter)

CRESUD INC.

(Translation of registrant s name into English)

Republic of Argentina

(Jurisdiction of incorporation or organization)

Moreno 877, 23rd Floor, (C1091AAQ)

Buenos Aires, Argentina

(Address of principal executive offices)

Form 20-F ü 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 ü

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

(THE COMPANY)

REPORT ON FORM 6-K

Attached is a copy of the English translation of the Financial Statements for the nine-month period ended on March 31, 2010 and on March 31, 2009 filed by the Company with the *Bolsa de Comercio de Buenos* Aires and with the *Comisión Nacional de Valores.*

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Comercial, Inmobiliaria,

Financiera y Agropecuaria

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(in thousands of pesos)

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

Cresud Sociedad Anónima,

Comercial, Inmobiliaria,

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Unaudited Consolidated Financial Statements

Corresponding to the nine-month periods

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Fiscal year No. 75 started on July 1, 2009

Unaudited Financial Statements for the period ended March 31, 2010

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:	Agriculture, livestock and real-estate

DATES OF REGISTRATION AT THE PUBLIC REGISTRY OF COMMERCE

Free translation from the original prepared in spanish

for publication in Argentina

Of the by-laws:	February 19th, 1937
Of the latest amendment:	July 28th, 2008
Duration of the Company:	June 6th, 2082

Information on controlled companies in Note 2 to the Consolidated Unaudited Financial Statements

CAPITAL STATUS (Note 3 of basic unaudited financial statements)

SHARES

Type of stock	**Authorized**	**Subscribed**	**Paid-in**
Ordinary certified shares of Ps. 1 face value and 1 vote each	501,559,427	501,559,427	501,559,427

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Balance Sheet as of March 31, 2010 and 2009 and June 30, 2009

(in thousands of pesos)

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

	March 31, 2010 (Notes 1 and 2)	June 30, 2009 (Notes 1 and 2)	March 31, 2009 (Notes 1 and 2)
ASSETS			
Current Assets			
Cash and banks (Note 4.a.)	83,302	82,459	68,507
Investments (Note 4.b.)	237,272	345,541	285,825
Trade accounts receivable, net (Note 4.c.)	377,193	303,095	267,175
Other receivables (Note 4.d.)	256,556	287,363	184,655
Inventories (Note 4.e.)	369,303	139,197	196,841
Total Current Assets	1,323,626	1,157,655	1,003,003
Non-Current Assets			
Trade accounts receivable (Note 4.c.)	25,333	9,230	10,759
Other receivables (Note 4.d.)	236,552	242,592	276,222
Inventories (Note 4.e.)	203,238	251,529	239,669
Investments on controlled and related companies (Note 4.b.)	1,960,493	1,337,390	1,019,805
Other investments (Note 4.b.)	5,301	21,215	57,562
Property and Equipment, net (Note 4.f.)	3,219,856	3,309,998	3,181,710
Intangible assets, net (Note 4.g.)	72,471	55,187	45,870
Subtotal Non-Current Assets	5,723,244	5,227,141	4,831,597
Goodwill, net (Note 4.h.)	(366,557)	(408,740)	(309,154)
Total Non-Current Assets	5,356,687	4,818,401	4,522,443
Total Assets	6,680,313	5,976,056	5,525,446
LIABILITIES			
Current Liabilities			
Trade accounts payable (Note 4.i.)	373,713	339,894	208,048
Mortgages payable (Note 4.j.)		1,930	2,812
Short-term debt (Note 4.k.)	912,169	536,888	516,037
Salaries and social security payable (Note 4.l.)	43,581	41,754	27,898
Taxes payable (Note 4.m.)	113,933	155,952	152,647
Advances from customers (Note 4.n.)	197,225	97,386	106,310
Other liabilities (Note 4.o.)	106,619	136,057	60,488
Provisions for lawsuits and contingencies (Note 4.p.)	4,212	4,051	3,972

Total Current Liabilities	1,751,452	1,313,912	1,078,212
Non-Current Liabilities			
Trade accounts payable (Note 4.i.)	11,425	89,193	107,386
Advances from customers (Note 4.n.)	93,507	150,357	140,619
Long-term debt (Note 4.k.)	948,363	866,700	991,127
Taxes payable (Note 4.m.)	255,454	224,529	182,012
Other liabilities (Note 4.o.)	70,118	76,676	59,866
Provisions for lawsuits and contingencies (Note 4.p.)	7,507	5,823	7,150
Total Non-Current Liabilities	1,386,374	1,413,278	1,488,160
Total Liabilities	3,137,826	2,727,190	2,566,372
Minority interest	1,577,679	1,435,982	1,290,582
SHAREHOLDERS EQUITY	1,964,808	1,812,884	1,668,492
Total Liabilities and Shareholders Equity	6,680,313	5,976,056	5,525,446

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

Saúl Zang

Vicepresident I

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 nine-month periods beginning on July 1, 2009 and 2008

and ended March 31, 2010 and 2009

(in thousands of pesos)

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

	March 31, 2010	March 31, 2009
Agricultural production income (Note 6)	80,337	62,986
Cost of agricultural production (Note 6)	(78,801)	(78,103)
Production Profit - Agricultural	1,536	(15,117)
Sales - crops, beef cattle, milk and others (Note 6)	159,411	133,293
Cost of sales - crops, beef cattle, milk and others (Note 6)	(144,580)	(108,667)
Sales profit - Agricultural business	14,831	24,626
Sales and development of properties (Note 6)	155,132	134,845
Income from lease and service of offices, shopping centers, hotels, consumer financing and others (Note 6)	809,011	482,918
Cost of sales and development of properties (Note 6)	(64,843)	(91,037)
Cost of lease and service offices, shopping centers, hotels, consumer financing and others (Note 6)	(294,137)	(170,272)
Sales profit - Real estate business	605,163	356,454
Gross profit - Agricultural business	16,367	9,509
Gross profit - Real estate business	605,163	356,454
Gross profit	621,530	365,963
Selling expenses	(150,858)	(149,904)
Administrative expenses	(171,801)	(86,694)
Gain from recognition of inventories at net realizable value	18,704	7,718
Unrealized gain (loss) on inventories (Note 4.q.)	64,210	(2,956)
Net gain (loss) from retained interest in securitized receivables of Tarjeta Shopping	34,824	(25,210)
Operating gain	416,609	108,917
Amortization of goodwill	38,758	15,031
Financial results		
Generated by assets:		
Exchange gains and discounts	9,172	90,171
Conversion differences	14,466	5,085

Interest income	488	8,094
Gain on hedging operations	5,285	33,084
Tax on bank account operations	(4,617)	(3,418)
Loss on financial operations	51,624	(33,809)
Others	(270)	(164)
Subtotal	76,148	99,043
Generated by liabilities:		
Loans and convertible notes	(143,017)	(99,931)
Net gain from repurchase of non-convertible notes		137,520
Others	(847)	(1,211)
Exchange loss and discounts	(23,929)	(160,890)
Subtotal	(167,793)	(124,512)
Financial results, net	(91,645)	(25,469)
Gain (loss) on participation in equity investees	140,218	(70,152)
Other income and expenses, net (Note 4.r.)	(17,811)	(16,684)
Management fee	(20,446)	(493)
Net income before income tax and minority interest	465,683	11,150
Income tax and minimum presumed income tax	(105,271)	(32,466)
Minority interest	(175,755)	25,987
Net income for the period	184,657	4,671
Earnings per share :		
Basic net gain per share (Note 5)	0.38	0.01
Diluted net gain per share (Note 5)	0.34	0.01

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

Saúl Zang

Vicepresident I

acting as President

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statements of Cash Flows

Corresponding to the nine-month periods beginning on July 1, 2009 and 2008

and ended March 31, 2010 and 2009

(in thousands of pesos)

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

	March 31, 2010	March 31, 2009
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	211,676	521,086
Cash and cash equivalents at the end of the period	120,801	166,909
Net decrease in cash and cash equivalents	(90,875)	(354,177)
Causes of changes in cash and cash equivalents		
Operating activities		
Income for the period	184,657	4,671
Income tax	105,271	32,466
Adjustments made to reach net cash flow from operating activities		
(Gain) loss on equity investees	(140,218)	70,152
Minority interest	175,828	(25,987)
Increase in allowances, provisions and accruals	51,786	71,887
Depreciation and amortization	135,989	78,213
Unrealized (gain) loss on Inventories	(64,210)	2,956
Financial results	(85,389)	142,402
Loss from sales of fixed assets	18,984	(99)
Adjustment valuation to net realizable value in other assets	(18,704)	(7,718)
Amortization of goodwill	(38,758)	(15,031)
Result from barter of inventories		(2,867)
Result from repurchase of non-convertible notes		(137,520)
Changes in operating assets and liabilities		
Decrease (increase) in current investments	10,670	(78,186)
Increase in trade accounts receivable, leases and services	(91,271)	(78,837)
Decrease in other receivables	(3,857)	(102,083)
Increase in inventories	(60,570)	(29,089)
(Decrease) increase in social security payables, taxes payable and advances from customers	(82,766)	102,960
Decrease in trade accounts payable	(50,512)	(27,438)
Dividends collected	4,186	1,980
(Decrease) increase in accrued interest	(2,843)	949
Increase (decrease) in other liabilities	18,244	(26,169)
Cash flows provided by (applied to) operating activities	66,517	(22,388)
Investing activities		
(Increase) decrease in non-current investments	(310)	37,768
Increase in interest in equity method investees (except IRSA)	(162,322)	(35,534)

Increase in IRSA s interest		(89,893)
Increase of Intangible assets	(7,326)	(2,545)
Acquisition and upgrading of fixed assets	(98,165)	(243,964)
Gain on the sales of fixed assets	3,464	1,196
Increase in goodwill	(470)	(45)
Payment for subsidiary acquired, net of cash acquired	(8,622)	171,481
Purchase (sale) of undeveloped parcels of lands and other non-current investments	71,704	(1,611)
Purchase of Hersha Hospitality Trust s shares	(176,068)	
Advances for purchase of shares	(23,028)	
Collection of receivables of Subsidiaries	6,598	
Collection (increase) of loans granted	309	(2,174)
Advance related to sale of Tarshop S.A. shares	20,422	
Payments for the acquisition of equity investees	(78,788)	
Cash flows applied to investing activities	(452,602)	(165,321)
Financing activities		
Exercise of warrants and options	128	37
Expenses for repurchase of non-convertible notes	(12,000)	(90,137)
Issuance of non-convertible notes	129,204	
Increase in loans	482,676	154,147
Decrease in loans and mortgages payable	(235,350)	(149,576)
Cash Dividends paid	(95,291)	(41,608)
Proceeds from issuance of short-term negotiable values	22,720	
Acquisition of minority interest	(23,919)	
Repurchase of treasury stock		(62,109)
Contributions received by subsidiaries from minority shareholders	25,807	22,778
Loans from Subsidiaries	1,235	
Cash flows provided by (applied to) financing activities	295,210	(166,468)
Net decrease in cash and cash equivalents	(90,875)	(354,177)

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

Saúl Zang

Vicepresident I 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 nine-month periods beginning on July 1, 2009 and 2008

and ended March 31, 2010 and 2009

(in thousands of pesos)

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

	March 31, 2010	March 31, 2009
Items not involving changes in cash and cash equivalents		
Inventory transferred to property and equipment	1,661	1,044
Undeveloped parcels of land transferred to an inventories		4,777
Property and equipment transferred to Inventory	39,144	25,410
Increase in other receivables through a decrease in undeveloped parcels of land		4,065
Increase in property and equipment through an increase in other liabilities		60,620
Transitory conversion differences on investments	25,711	31,308
Decrease in trade accounts payable through a decrease in undeveloped parcels of land		5,445
Increase in goodwill through a decrease in minority interest		482
Increase in fixed assets through an increase in trade accounts payable	5,623	7,643
Acquisition of subsidiary companies through a decrease of other receivables	8,838	
Repurchase of treasury stock unpaid		128
Increase in inventory through an increase in customer advances	3,110	
Increase in minority interest through a decrease in current other debts	14,512	
Issuance of certification of participation	13,070	25,634
Capitalization of financial costs		72,134
Increase in non-current investment through a decrease in inventory	1,076	
Increase in non-current investment throgh an increase in other debts	12,300	
Decrease in non-current investment through an increase in other receivables	6,359	
Complementary information		
Interest paid	143,974	100,601
Income tax paid	61,402	11,867

	March 31, 2010	March 31, 2009
Acquisition of subsidiaries companies		
Investments	395	175,097
Trade accounts receivable and rentals	11	179,640
Other receivables	1,022	283,653
Inventories		207,453
Non-Current Investments	289	941,770
Property and equipment, net	11,278	2,644,004
Intangible assets		45,787
Goodwill	(2,718)	(286,593)
Trade accounts payable		(243,502)
Mortgage payable		(3,882)
Advances from customers		(237,539)
Financial loans		(1,369,227)
Salaries and social security payable	(87)	(31,674)
Taxes payable	(27)	(175,980)

Other liabilities	(5,294)	(148,146)
Minority interest		(456,079)
Acquired assets that do not affect cash, net value	4,869	1,524,782
Acquires funds	13	230,472
Acquired assets, net value	4,882	1,755,254
Minority interest	(897)	(852,656)
Equity method previous to the purchase		(786,711)
Goodwill generated by the purchase	21,478	(56,896)
Purchase value of subsidiaries companies	25,463	58,991
Acquires funds	(13)	(230,472)
Amount funded by sellers	(14,574)	
Advanced amounts	(2,254)	
	8,622	(171,481)

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

Saúl Zang

Vicepresident I

acting as President

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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 the publication in Argentina

NOTE 1: BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

As a consequence of the application of the Technical Resolution No. 21 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE), the Balance Sheet as of March 31, 2010 and 2009 and the Statements of Income and the Statements of Cash Flows for the periods ended on those dates were consolidated on a line by line basis with the financial statements of such companies in which it holds a majority of the voting shares.

During the semester ended December 31, 2008, Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries (Cresud, or the Entity or the Company) acquired directly and indirectly 68,712,008 additional shares of IRSA Inversiones y Representaciones Sociedad Anónima (IRSA). Thus, the Company s direct and indirect interest in IRSA through its affiliates amounted to 54.01%, therefore, from October 1, 2008, the Company began to consolidate the financial statements of IRSA in accordance with Technical Resolution No. 21.

The financial statements as of March 31, 2010 and 2009 of the subsidiary companies Inversiones Ganaderas S.A. (IGSA), Futuros y Opciones.Com S.A. (FyO.Com), Agropecuaria Anta S.A. (ex Agropecuaria Cervera S.A.) (ANTA), FyO Trading S.A. (FyO Trading), Agrology S.A. and IRSA have been used in order to determine line by line consolidation.

For purposes of comparability, certain reclassifications have been made on the information as of June 30, 2009 and March 31, 2009.

These Financial Statements and the corresponding notes are presented in thousand of Argentine Pesos. Figures expressed in United States dollars (US$), are presented in million.

NOTE 2: CORPORATE CONTROL

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

COMPANY	CRESUD PERCENTAGE OF VOTING SHARES OWNED	CONSOLIDATED PERCENTAGE OF VOTING SHARES OWNED
IRSA	50.49	57.38(1)
IGSA	99.99	99.99
FyO.Com	64.30	64.30
ANTA	90.00	99.99(2)
Agrology S.A.	97.00	99.99(3)
FyO Trading	3.63	65.60(4)

(1) Includes interests of 6.89% of Agrology S.A.
(2) Includes interests of 9.99% of IGSA.
(3) Includes interests of 2,99% of IGSA.

(4) Includes interests of 61.97 of FyO.Com

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Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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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, as detailed in 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) 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.

IRSA 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. IRSA does not commence revenue and cost recognition until such time as the decision to proceed with the project is made and construction activities have begun. The percentage-of-completion method of accounting requires the IRSA 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.

Revenues from leases

Revenues from leases are recognized on a straight line basis 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.

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Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

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NOTE 3: (continued)

Net operating results from each business unit are disclosed in Note 6.

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, the 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.

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.

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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NOTE 3: (continued)

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 and 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 period whether collection has or has not been made.

Lease agent operations

Fibesa S.A., company in which APSA has an interest of 99,99996%, 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 and admission s rights. Revenues are recognized at the time that the transaction is successfully concluded.

b) Inventories

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.

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 the publication in Argentina

NOTE 3: (continued)

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.

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

c) Non-current investments

Real Estate Business

a. Investments in debt securities:

Investments in debt securities were valued based on the best estimate of the discounted amount receivable, applying the corresponding internal rate of return estimated at the time of incorporation to assets, as IRSA will hold them to maturity.

b. Investments on controlled and related companies and other non-current investment

Includes CPs issued by the Trusts recorded at their values calculated by the equity method of accounting, net of the allowances for impairment, if applicable. In addition, the interests held in entities over which the Company has not control, common control or significant influence have been measured for accounting purposes at cost plus any declared dividends.

As regards the acquisition of the ownership interest in Arcos del Gourmet S.A. in the course of this fiscal year, according to the disclosure in Note 9 B.2.d, APSA is analyzing the current value of the identifiable assets and liabilities acquired presently according to the Technical Resolution No. 21, Paragraph 1.3.1.

c. Banco Hipotecario S.A. and Banco de Crédito y Securitización S.A.:

The Financial Statements of Banco Hipotecario S.A. and Banco de Credito y Securitización S.A. are prepared in accordance with the Central Bank of the

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NOTE 3: (continued)

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.

d. Tyrus S.A.:

Uruguay-based Tyrus S.A. has been classified as not integrated into the IRSA s operations in relation to its subsidiaries whose operations are carried out fully abroad. IRSA does not control foreign operations, which are conducted with a significant degree of autonomy respect to the IRSA s own operations. Besides, such operations are mainly financed with funds originating in its own transactions or with local loans.

The Tyrus s assets and liabilities were converted into Pesos at the exchange rate in force at the close of the period. 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 Cumulative Translation Adjustment and they amounted to Ps. 13,789 as of March 31, 2010.

e. 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 IRSA 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 construction commences or their trade is decided.

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

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NOTE 3: (continued)

d) Business combinations

Real Estate Business

Significant entities on net asset acquired by the Company were recorded in line with the purchased method set forth in Technical Resolution No. 18. and Technical Resolution No. 21. All assets and liabilities acquired to third independent parties were adjusted to show their fair value. IRSA identified the assets and liabilities acquired including intangible assets such as: lease agreements acquired for prices and terms that are either higher or lower than in the market; costs of executing and delivering the lease agreements in force (costs that IRSA avoids incurring as a result of acquiring effective lease agreements); the value of acquired brands, the value of any deposits associated to the investment and the intangible value inherent in customer relations.

The process of identification and the determination of the purchased price paid is a matter that requires complex judgments and significant estimates.

IRSA uses the information contained in valuations estimated by independent appraisers as primary base for assigning the price paid for the land, the building and the shopping centers. The amounts assigned to all the other assets and liabilities are based on independent valuations or on the IRSA´s own analysis on comparable assets and liabilities. The current value of tangible assets acquired considers the property value as if it was empty.

In accordance with the terms of Technical Resolution No. 21, if the value of identified tangible and intangible assets and liabilities exceeds the price paid, the intangible assets acquired are not recognized as they would cause an increase of the negative goodwill generated by these acquisitions at the time of the purchase. Furthermore, as regards the negative goodwill generated, the portion concerning the investees expectations of future expenses or losses will be recognized in the statements of income for the same periods in which such expenses or losses are accrued and expensed. The portion that is not concerned with the investees expectations of future expenses or losses will be treated as follows: (i) the amount that does not exceed the investor s interest over the current values of the investees identifiable non-monetary assets will be consistently recognized in the statement of income throughout a period equivalent to a weighted average of the remaining useful lives of the investees identifiable assets subject to depreciation; (ii) the amount that exceeds the current values of the investees identifiable non-monetary assets will be recognized in the statement of income at the time of the acquisition.

If the price paid is larger than the value of tangible and intangible assets and liabilities as identified, the excess is considered to be goodwill.

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NOTE 3: (continued)

e) Property and equipment, net

Agricultural Business

The tree plantations (wood) comprising this account has been valued at cost less respective accumulated depreciation as the Company has no intention to sell it, but use it in the production process.

Its cost was calculated according to a Report on forestry mass increase carried out by a forestry engineer at the request of the preceding shareholders of ANTA.

ANTA former Board of Directors based on such report as well as on owns estimates accepted the value of the tree plantations (wood) in Ps. 4,320.

Depreciation for the period was calculated based on the remaining concession term.

Other considerations concessions granted

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

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

Among other obligations ANTA has to invest Ps. 16,000 in agriculture, cattle farming, hydraulic resources, continuing education, forestry development, forest planting, fauna, natural reserve and eco-tourism.

On July 2, 2008, a memorandum of understanding was executed by which the concession agreement mentioned in Note 12 was renegotiated.

Real Estate Business

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

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Notes to the Unaudited Consolidated Financial Statements (continued)

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NOTE 3: (continued)

Fixed assets 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. During the year ended June 30, 2009, financial costs were capitalized in the building known as DIQUE IV for Ps. 7,561.

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.

Other properties and equipment

Other properties and equipment properties are carried at cost, restated as mentioned in Note 1.b. to the basic financial statements, less accumulated depreciation at the end of the period/year. Accumulated depreciation is computed under the straight-line method over the estimated useful lives of the assets.

Assets	**Estimated useful life (years) on contract basis**
Leasehold improvements	
Furniture and fixtures	10
Vehicles	5
Machinery and equipment	10
Computer equipment	3

The cost of maintenance and repairs is charged to expense as incurred.

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NOTE 3: (continued)

The cost of significant renewals and improvements are added to the carrying amount of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts.

f) Intangible assets

Agricultural Business

Related to the concession right mentioned in Note 3.e.

The amortization of the concession right of ANTA is calculated according to its duration, whose remaining time is 29 years.

Real Estate Business

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

Trademarks

Trademarks include the expenses and fees related to their registration.

Pre-operating expenses

- 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 are amortized by the straight-line method in 28 months period starting upon December 1st, 2009.

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

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NOTE 3: (continued)

g) Goodwill, net

Real Estate Business

Amortizations were calculated through the straight line method on the basis of an estimated useful life considering the weight average of the remaining useful life of the assets acquired.

The residual value of goodwill arising from the acquisition of net assets and shares in companies has been shown in the Goodwill caption. Amortizations were classified in the Amortization of goodwill caption of the statement of income. Goodwills related to the acquisition of interests in subsidiaries is included in non-current investments.

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

h) 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.

i) Allowances

Real Estate Business

Allowance for doubtful accounts: IRSA allows for losses relating to trade receivables, leases and other accounts receivable. The allowance for losses is recognized when, based on current information and events, it is probable that IRSA will be unable to collect all amounts due according to the terms of the agreements. The allowance is determined on a one-by-one basis considering the present value of expected future cash flows. While Management uses the information available to make assessments, future adjustments to the allowance may be necessary if future economic conditions differ substantially from the assumptions used in making the assessments. Management has considered all events and/or transactions that are subject to reasonable and normal methods of estimations.

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

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NOTE 3: (continued)

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: IRSA has certain contingent liabilities with respect to existing or potential claims, lawsuits and other proceedings, including those involving labor issues. IRSA accrues liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated. Such accruals are based on developments to date, IRSA s estimates of the outcomes of these matters and IRSA s lawyers experience in contesting, litigating and settling other matters.

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.

j) 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 cost of the assets received. IRSA estimate that this value does exceed the cost of construction of the units to deliver plus additional costs to transfer the assets to the creditor. Liabilities in kind have been shown in the Trade accounts payable .

k) Deferred financing cost

Real Estate Business

Expenses incurred in connection with the issuance of debt are amortized over the life of the related issuances. In the case of redemption or conversion of these notes, the related expenses are amortized using the accelerated depreciation method.

Amortization has been recorded under Financial results, net in the Statements of Income as a greater financing expense.

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

As of March 31, 2010 and 2009 and as of June 30, 2009 the principal items of the financial statements are as follows:

a. Cash and banks

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Cash	5,534	3,406	5,225
Foreign currency	108	579	1,599
Banks in local currency	61,038	24,523	27,342
Banks in foreign currency	5,308	51,200	32,937
Checks to be deposited	11,314	2,751	1,404
	83,302	82,459	68,507

b. Investments

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Investments			
Mutual Funds (2)	94,115	150,850	163,353
Time deposits		15,156	15,455
Government Bonds, Bonds and Notes (1)			
- Pre 2009 bonds		10,108	6,351
- Pro 2012 bonds		3,987	2,256
- Participation trust certificates	4,820	16,490	16,490
- Certificates of participation - Tarshop Trust	143,414	136,231	82,917
- Allowance for impairment of investments	(8,984)	(10,198)	(8,710)
- Global 2010 bonds	202	67	49

- Mortgage Bonds	1,098	1,198	1,131
Public shares (1)	2,552	21,603	6,483
Others investments (1)	55	49	50
	237,272	345,541	285,825

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

(2) As of March 31, 2010 and June 30, 2009 includes Ps. 56,616 and Ps. 36,789 respectively, related to mutual funds not considered as cash equivalents in Cash Flow Statement.

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NOTE 4: (continued)

Non-current

Investments on controlled and related companies

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

	March 31, 2010	June 30, 2009	March 31, 2009
Agro-Uranga S.A.			
Shares	9,534	9,024	8,420
Higher property value	11,179	11,179	11,179
	20,713	20,203	19,599
Cactus Argentina S.A. (Cactus)			
Shares	15,701	10,032	5,634
Goodwill	4,015	4,015	
	19,716	14,047	5,634
Exportaciones Agroindustriales Argentinas S.A.			
Shares	76	99	56
	76	99	56
BrasilAgro Companhia Brasileira de Propriedades Agrícolas (BrasilAgro)			
Shares	300,250	220,709	171,107
Higher values (1)	6,887	6,887	6,887
Goodwill	6,965	3,841	3,841
Negative Goodwill	(16,140)	(19,163)	(17,183)
	297,962	212,274	164.652
Banco Hipotecario			
Shares	778,888	516,097	261,867
Higher values (2)	9,368	13,871	10,099
Goodwill	16,379	21,152	(8,829)

	804,635	551,120	263,137
Banco Crédito y Securitización S.A.			
Shares	5,927	5,127	4,889
	5,927	5,127	4,889
Manibil S.A.			
Shares	26,591	25,322	642
Irrevocable capital contributions			23,892
Goodwill	10	10	10
	26,601	25,332	24,544

(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. 275 of higher value intangible assets, Ps. 25,047 of lower value trade account payables and Ps. (17,501) of higher value trade account receivable which belongs to the business combinations of Cresud and Agrology S.A., and Ps. 1,547 of IRSA.

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NOTE 4: (continued)

	March 31, 2010	June 30, 2009	March 31, 2009
Hersha Hospitality Trust			
Shares	224,339		
	224,339		
Metropolitan 885 Third Avenue LLC			
Shares			76,615
			76,615
Advances for shares purchases	23,028	6,250	8,884
	23,028	6,250	8,884
Undeveloped parcels of land:			
- Santa Maria del Plata	204,382	203,584	177,147
- Puerto Retiro (1)	66,375	66,331	62,834
- Plot of Land Berutti (2)	54,204	54,018	52,122
- Plot of Land Caballito	40,626	40,626	39,405
- Patio Olmos (3)	33,218	33,218	32,949
- Pereiraola (7)	24,157	24,157	23,413
- Torres de Rosario plot of land	19,154	18,641	17,054
- Air Space Coto	14,672	14,672	14,158
- Plot of Land Zetol (4)	13,443	13,116	
- Canteras Natal Crespo	6,467	6,465	6,000
- Pilar	4,066	4,066	3,866
- Torres Jardin IV	3,038	3,038	3,030
- Plot of Land Vista al Muelle (4)	7,570	1,739	
- Catalinas Norte´s advance (6)	22,259		
- Other land reserves	23,865	19,267	19,817
	537,496	502,938	451,795
	1,960,493	1,337,390	1,019,805

(1) Note 8.B.1.a. to the consolidated financial statements.

(2) Note 10.B.2.c. to the consolidated financial statements.
(3) Note 10.B.2.a. to the consolidated financial statements.
(4) Note 9.B.1.e. to the consolidated financial statements.
(5) Note 10.B.2.d. to the consolidated financial statements.
(6) Note 10.B.1 to the consolidated financial statements.
(7) Note 18.1 to the consolidated financial statements.

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NOTE 4: (continued)

	March 31, 2010	June 30, 2009	March 31, 2009
Other Investments			
The breakdown for this item is as follow:			
Certificates of participation - Tarshop S.A. Trust	3,929	22,900	64,289
Allowance for impairment of investments	(254)	(1,891)	(7,379)
MAT	90	90	90
Coprolán	21	21	21
Other investments	1,515	95	541
	5,301	21,215	57,562

c. Trade accounts receivable

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Debtors from Tarjeta Shopping	207,490	141,570	143,250
Leases and services receivables	62,993	75,077	60,401
Checks to be deposited	51,444	62,230	52,913
Debtors from expenses and collective promotion fund	34,422	37,725	30,808
Leases and services receivables under legal proceedings	34,133	34,583	34,490
Trade accounts receivable agricultural business	24,815	25,106	15,729
Trade accounts receivable real estate	20,110	15,681	14,401
Accounts receivable in foreign currency	20,262	15,477	9,871
Debtors from hotel activities	17,023	7,713	11,194
Documents receivable	6,534	7,461	7,123
Debtors from Tarjeta Shopping collection agents	6,099	5,070	4,689
Receivables from the sale of properties under legal proceedings	1,133	1,320	1,417
Credit cards receivable	258	1,161	1,287
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (note 4.s.)	7,481	2,400	4,144
Less:			
Allowance for doubtful accounts	(117,004)	(129,479)	(124,542)

	377,193	303,095	267,175
Non-current			
Debtors from Tarjeta Shopping	24,026	6,490	8,698
Leases and services receivables	2,010	2,691	2,366
Trade accounts receivable real estate	133	2,306	6,794
Accounts receivable in foreign currency		451	466
Documents receivable	660		
Less:			
Allowance for doubtful accounts	(1,496)	(2,708)	(7,565)
	25,333	9,230	10,759

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NOTE 4: (continued)

d. Other receivables

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Call Option Metropolitan 885 Third Ave. LLC	46,826	44,877	
Receivables from the sale of shares (1)	35,290	34,553	33,852
Outstanding VAT	74,541	32,601	22,740
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	11,715	89,925	21,279
Prepaid expenses	32,048	25,869	22,263
Income tax advances and tax credit (net of provision for income tax)	6,921	21,987	23,549
Guarantee deposits re. securitization programs	6,522	6,782	5,966
Loans granted	860	5,424	3,885
Guarantee of defaulted credits		4,206	3,948
Outstanding gross sales tax payable and others	6,821	3,318	2,788
Receivable for services of third offered in Tarshop business	4,105	2,746	3,222
Guarantee deposits	1,590	1,490	1,166
Pre-paid insurance	316	1,489	1,070
Tax on minimum presumed income	3,188	923	52
Premiums collected	1	743	3,376
Financial operations to liquidate	4,945		1,110
Other tax credit	789	171	247
Prepaid leases	124	75	258
Expenses to be recovered	265	47	4,523
Receivables from stock holders in related companies		29	21,294
Others	19,689	10,108	8,067
	256,556	287,363	184,655
Non-current			
Deferred tax	66,261	78,285	116,365
Tax on minimum presumed income	86,597	65,967	78,968
Outstanding VAT	57,252	65,575	69,371
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (note 4.s.)	20,724	22,513	4
Prepaid expenses	3,166	3,958	1,612
Mortgages receivables under legal proceeding	2,208	2,208	2,208

Allowance for doubtful accounts	(2,208)	(2,208)	(2,208)
Outstanding gross sales tax payable and others	944	1,989	1,948
Guarantee deposits re. securitization programs		999	3,667
Loans granted	295		
Guarantee deposits		380	
Income tax advances and tax credit (net of provision for income tax)		109	139
Prepaid leases		33	
Others	1,313	2,784	4,148
	236,552	242,592	276,222

(1) In June 2007, IRSA sold 10% of the shareholding in Solares Santa María S.A. for US$ 10.6 million (on that such date IRSA collected US$ 1.5 million of such amount). The balance will become due in June, 2010 and it is supported by a pledge in favor of IRSA.

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NOTE 4: (continued)

e. Inventories

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Agricultural business			
Crops	18,750	49,258	28,805
Materials and others	33,710	26,898	28,687
Beef cattle	30,927	18,279	19,757
Unharvested crops	86,384	13,006	97,788
Seeds and fodder	2,719	2,864	2,360
Real estate business			
Credit from barter transaction of Terreno Caballito (Koad)	12,040	19,222	8,545
Abril	1,148	3,035	3,249
Inventories (hotel business)	3,394	2,676	2,847
El Encuentro	890	2,119	
Horizons	176,888		
Other inventories	1,182	1,273	957
Dock 13			33
Torres Abasto			21
San Martin de Tours	132	431	424
Credit from barter transaction of Dique III		68	3,368
Torres Jardin	23	68	
Mendoza land	1,116		
	369,303	139,197	196,841
Non-Current			
Agricultural Business			
Beef cattle	125,847	77,828	75,165
Real estate business			
Horizons		109,144	91,834
Credit from barter of Caballito (Cyrsa)	25,155	20,875	21,087
Credit from barter of Caballito (Koad)	20,700	14,324	21,843
Credit from barter Rosario	11,121	11,121	11,103
El Encuentro	11,172	9,633	11,265
Caballito land	6,754	6,653	4,429
Project Abasto (Cyrsa)		1,098	

Torres Jardín	45		85
Abril	690	768	1,973
Cruceros Buildings	6	25	
San Martin de Tours	304	3	
Other inventories	1,444	57	885
	203,238	251,529	239,669

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NOTE 4: (continued)

f. Property and equipment, net

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Agricultural business	457,817	430,529	422,460
Real estate business			
Shopping Center	1,593,172	1,453,747	1,339,007
Office buildings	926,696	1,153,207	1,107,284
Hotels	207,792	217,437	213,998
Other fixed assets	26,118	51,452	95,274
Commercial real state	8,261	3,626	3,687
	3,219,856	3,309,998	3,181,710

g. Intangible assets, net

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Concession rights	21,512	22,076	22,265
Saving expenses of contracts in acquired leases	11,846	13,897	14,440
Pre-operating expenses	25,265	16,038	6,585
Tarshop s customers	2,683	2,902	1,860
Non-compete agreement	10,435		
Trademarks	675	274	720
Others	55		
	72,471	55,187	45,870

h. Goodwill, net

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Goodwill			
IRSA	40,597	41,995	34,935
Arcos del Gourmet S.A.	20,873		
APSA	19,601	20,670	21,026
Tarshop S.A.	6,904	6,897	8,150
Torre BankBoston	5,742	5,899	5,951
Della Paolera 265 y Museo Renault	3,154	3,276	3,316
Fibesa S.A.	856	2,395	2,909
Conil S.A.	506		
Baicom Network S.A.	174		

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NOTE 4: (continued)

	March 31, 2010	June 30, 2009	March 31, 2009
Negative goodwill			
IRSA	(365,472)	(385,809)	(279,816)
APSA	(44,128)	(46,365)	(47,113)
Palermo Invest S.A.	(40,733)	(42,290)	(42,809)
Empalme S.A.I.C.F.A. y G.	(8,608)	(9,084)	(9,251)
Mendoza Plaza Shopping S.A.	(5,743)	(5,988)	(6,097)
Emprendimiento Recoleta S.A.	(280)	(336)	(355)
	(366,557)	(408,740)	(309,154)

i. Trade accounts payable

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Suppliers	256,529	191,122	151,129
Provisions	88,712	104,421	45,907
Debt related to purchase of farms	22,441	35,098	
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	3,889	6,961	9,086
Provisions for harvest expenses	1,460	1,253	894
Others	682	1,039	1,032
	373,713	339,894	208,048
Non-Current			
Suppliers (1)	11,425	58,862	46,766
Debt related to purchase of farms		21,893	60,620
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)		8,438	
	11,425	89,193	107,386

(1) Includes as of March 31, 2010 and June 30, 2009 current and non current Ps. 46,451, respectively, corresponding to the liabilities in kind associated to the Horizons and Caballito projects. (See Note 9.B.1.a)

j. Mortgage payable

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Mortgage payable Bariloche plots of land		1,930	2,812
		1,930	2,812

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NOTE 4: (continued)

k. Short-term and long-term debts

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Bank loans	487,641	294,065	263,041
Overdraft	261,552	166,651	167,312
Short-term debt	22,720		
Debt related to purchase of subsidiaries			11,616
Foreign financial entities	3,528	788	
Debts for the purchase of Berutti plot of land			14,828
Debts for purchase of shares	19,386		
Seller financing	23,421	28,895	
Non-convertible Notes IRSA 2017 (1)	5,545	14,839	5,283
Non-convertible Notes Class I	15,547		
Non-convertible Notes Class II	34,740		
Non-convertible Notes APSA US$ 120 M.	8,037	2,471	8,879
Convertible Notes APSA 2014 US$ 50 M. (Nota 4.s.)	1,185	2,610	1,121
Non-convertible Notes APSA 2011 Ps. 55 M.	240		
Non-convertible Notes APSA 2011 US$ 6 M.	11		
Non-convertible Notes APSA 2012 Ps. 154 M.	28,616	26,569	43,957
	912,169	536,888	516,037
Non-Current			
Non-Convertible Notes IRSA 2017 (1)	433,745	421,932	430,155
Convertible Notes APSA US$ 120 M.	257,416	250,512	303,082
Bank loans	78,087	76,611	101,080
Convertible Notes APSA 2014 US$ 50 M. (Nota 4.s.)	59,954	58,679	57,622
Non-convertible Notes APSA 2011 Ps. 55 M.	43,771		
Non-convertible Notes APSA 2011 US$ 6 M.	25,393		
Non-convertible Notes APSA 2012 Ps. 154 M.	37,878	50,356	99,188
Seller financing	12,119	8,610	
	948,363	866,700	991,127

(1) Note 13 A.1.a to the consolidated financial statements.

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NOTE 4: (continued)

l. Salaries and social security payable
The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Provisions for vacation and legal bonus	34,910	30,677	20,884
Social security taxes payable	8,208	10,188	6,136
Salaries payable	205	299	473
Others	258	590	405
	43,581	41,754	27,898

m. Taxes payable
The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Vat payable, net and tax payment facilities plan for VAT	43,502	75,727	60,382
Tax on minimum presumed income	10,384	20,345	26,643
Income tax provision, net	31,900	14,291	8,635
Tax on personal assets	11,683	5,514	12,721
Provisions Gross sales tax payable	4,989	3,056	1,937
Income tax Withholdings	1,397	3,221	2,565
Tax moratorium Income tax	1,509	1,358	2,497
Minimum presumed income Plan of facilities		1,137	1,700
Income tax Plan of facilities		21,835	27,221
VAT Withholdings	393	824	352
Gross sales tax-withholdings	2,700	1,959	1,906
Property tax payable	138	208	70
Gross revenue tax moratorium	477	449	441
Others	4,861	6,028	5,577
	113,933	155,952	152,647

Non-current			
Deferred income tax	227,920	197,473	153,465
Tax moratorium Income tax payable	21,830	20,704	21,156
Tax moratorium Personal assets	2,468	2,773	3,619
Gross sales tax payable		1,138	1,138
Tax on personal assets	1,256		
Gross revenue tax moratorium	1,952	2,433	2,610
Tax on minimum presumed income	28	8	24
	255,454	224,529	182,012

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NOTE 4: (continued)

n. Advances from customers

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Admission rights	50,787	45,935	44,856
Advanced payments from customers	122,660	30,601	38,389
Leases and service advances (1)	23,778	20,850	23,065
	197,225	97,386	106,310
Non-current			
Admission rights	61,382	60,626	63,395
Advanced payments from customers		56,822	43,829
Leases and service advances (1)	32,125	32,909	33,395
	93,507	150,357	140,619

(1) See note 14.B.2.a to the consolidated financial statements.

(a) Includes balances owed to NAI INTERNATIONAL II. INC., due to the financing agreement enclosed by Empalme S.A.I.C.F.A. y G.

(b) As of March 31, 2010 and June 30, 2009 includes advances of Ps.10,121 and Ps. 8,122 respectively, received from Wall - Mart Argentina S.R.L. in the context of a rent contract entered into with Panamerican Mall S.A. (APSA s Subsidiary), for a 30 years term.

o. Other liabilities

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Lower value of acquired contracts	4,724	18,711	12,936
Debt to former minority shareholder of Tarshop S.A.	3,481		
Payables to Nationals Park Administration	12,632	10,223	10,174
Debt related to purchase of investments	4,793		
Guarantee deposits	5,051	5,228	4,892
Administration and reserve fund			3,646
Additional capital contribution payable	2,295	2,270	
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	28,373	90,336	5,558
Loans with shareholders of related parties		837	17,531
Premiums collected	23	543	1,576
Management agreement provision	11,421		
Contributed leasehold improvements to be accrued and unrealized gains	524	524	524
Dividends payable	1,971		
Advance from sale of Tarshop S.A. s shares	20,840		
Mortgage with FyO.Com s minority shareholder	134	134	134
Others	10,357	7,251	3,517
	106,619	136,057	60,488

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NOTE 4: (continued)

	March 31, 2010	June 30, 2009	March 31, 2009
Non-current			
Loans with shareholders of related parties	48,047	47,388	41,895
Contributed leasehold improvements to be accrued and unrealized gains	9,810	10,203	10,335
Guarantee deposits	3,930	4,713	5,094
Debt to the former minority shareholders of Tarshop S.A.	4,064		
Debts for the purchase of farm		4,556	
Additional capital contribution payable	3,462	3,425	
Lowest value of acquired contracts		1,308	2,239
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	20	20	20
Others	785	5,063	283
	70,118	76,676	59,866

p. Provisions for lawsuits and contingencies

The breakdown for this item is as follow:

	March 31, 2010	June 30, 2009	March 31, 2009
Current			
Law contingencies for pending lawsuits	4,212	4,051	3,972
	4,212	4,051	3,972
Non-current			
Law contingencies for pending lawsuits	7,507	5,823	7,150
	7,507	5,823	7,150

q. Unrealized gain (loss) on inventories

The breakdown for this item is as follow:

	March 31, 2010	March 31, 2009
Unrealized gain on inventories - Beef cattle	64,531	583
Unrealized loss on inventories - Crops, raw materials and MAT	(321)	(3,343)
Operative loss and unrealized loss on real estate assets		(196)
Total unrealized gain (loss) on inventories	64,210	(2,956)

r. Other income and expenses, net

The breakdown for this item is as follow:

	March 31, 2010	March 31, 2009
Other Income		
Recovery of allowances	145	
Gains on the sale of other fixed assets	35	99
Lawsuits contingencies		212
Management fee	652	
Others	958	517
Sub-total Other Income	1,790	828

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NOTE 4: (continued)

	March 31, 2010	March 31, 2009
Other Expenses		
Tax on shareholders personal assets	(10,036)	(10,851)
Lawsuits contingencies	(138)	
Unrecoverable VAT receivable	(4,633)	(2,775)
Donations	(4,252)	(3,886)
Others	(542)	
Sub-total Other Expenses	(19,601)	(17,512)
Total Other Income and Expenses, net	(17,811)	(16,684)

s. Companies under Law No. 19,550 Section 33 and others related parties:

Balances as of March 31, 2010, compared to the balances as of June 30, 2009 and March 31, 2009 held with related companies, persons and shareholders are as follows:

As of March 31,2010

	Current Trade accounts receivable	Current Other receivables	Non current Other receivables	Current Trade accounts payable	Short term debt	Long term debt	Current Other liabilities	Non current Other liabilities	Total
Agro Uranga S.A. (2)		215		(594)					(379)
Banco Hipotecario S.A. (2)	340								340
Baicom Networks S.A. (2)			277						277
BrasilAgro (2)	53								53
Cactus (2)	114	12		(32)					94
Canteras Natal Crespo S.A. (4)	243	1,102							1,345
Consorcio Dock del Plata S.A. (3)	1,382	16		(53)					1,345
Consorcio Libertador S.A. (3)	841	111		(265)			(4)		683
Consultores Asset Management S.A. (3)	692	1		(7)					686
Cresca S.A. (4)	20	3,637							3,657
Cyrsa S.A. (4)	2,565	32		(998)					1,599
Directors (3)	2	161		(29)			(24,273)	(20)	(24,159)
Dolphin Fund PLC (3)							(3,023)		(3,023)

Estudio Zang, Bergel & Viñes (3)		20		(1,403)					(1,383)
Fundación IRSA (3)	31	3		(474)			(1,073)		(1,513)
Inversiones Financieras del Sur S.A. (5)		69							69
Hersha Hospitality Trust (2)		1,928							1,928
Metroshop S.A. (1)		2,265	20,443						22,708
Museo de los niños S.A. (3)	1,082			(5)					1,077
Parque Arauco S.A. (3)					(1,185)	(60,002)			(61,187)
Credits to employees (3)	64	2,046	4	(29)					2,085
Puerto Retiro S.A. (2)	52	97							149
Total	7,481	11,715	20,724	(3,889)	(1,185)	(60,002)	(28,373)	(20)	53,549

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

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NOTE 4: (continued)

As of June 30, 2009

	Current Trade accounts receivable	Current Other receivables	Non current Other receivables	Current Trade accounts payable	Non current Trade accounts payable	Short term debt	Long term debt	Current Other liabilities	Non current Other liabilities	Total
Agro Uranga S.A. (2)		39		(45)						(6)
Banco Hipotecario S.A. (2)	5									5
BrasilAgro (2)	13									13
Cactus (2)	25	15,031		(5,133)				(3)		9,920
Canteras Natal Crespo S.A. (4)	193	864								1,057
Consorcio Dock del Plata S.A. (3)		370		(46)						324
Consorcio Libertador S.A. (3)		532		(122)						410
Consultores Asset Management S.A. (3)	597	3,826		(7)						4,416
Cresca S.A. (4)		788								788
Cyrsa S.A. (4)	1,530	20		(560)						990
Directors (3)		191		(29)				(2,362)	(20)	(2,220)
Dolphin Fund PLC (3)		63,560						(61,398)		2,162
Estudio Zang, Bergel & Viñes (3)	2	20		(683)						(661)
Fundación IRSA (3)	22	3		(259)				(1,073)		(1,307)
Inversiones Financieras del Sur S.A. (5)		39						(25,500)		(25,461)
Metroshop S.A. (1)										