

CRESUD INC
Form 20-F
October 31, 2018

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE
ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: June 30, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

Date of event requiring this shell company report ____

For the transition period from ____ to ____

Commission file number: 001-29190

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) City of Buenos Aires, Argentina
(Address of principal executive offices)

Matías Iván Gaivironsky
Chief Financial and Administrative Officer
Tel +(5411) 4323-7449 – finanzas@cresud.com.ar

Edgar Filing: CRESUD INC - Form 20-F

Moreno 877, 24th Floor,
(C1091AAQ) City of Buenos Aires, Argentina
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares (ADSs), each representing ten shares of Common Stock	Nasdaq National Market of the Nasdaq Stock Market
Common Stock, par value Ps. 1.00 per share	Nasdaq National Market of the Nasdaq Stock Market*

* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the period covered by the annual report: 501,642,804.

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act:

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

†The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 23 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by the court. Yes No

Please send copies of notices and communications from the Securities and Exchange Commission to:

Carolina Zang

David Williams

Jaime Mercado

Zang Vergel & Viñes Abogados

Simpson Thacher & Bartlett LLP

Florida 537 piso 18°
C1005AAK Buenos Aires, Argentina.

425 Lexington Avenue
New York, NY 10019

TABLE OF CONTENTS

	Page No.
Disclosure Regarding Forward-Looking Information	i
Certain Measures and Terms	i
Presentation of Financial and Certain Other Information	ii
Market Data	iv
Part I	1
Item 1. Identity of Directors, Senior Management and Advisers	1
Item 2. Offer Statistics and Expected Timetable	1
Item 3. Key Information	1
A. Selected Consolidated Financial Data	1
B. Capitalization and Indebtedness	9
C. Reasons for the Offer and Use of Proceeds	9
D. Risk Factors	10
Item 4. Information on the Company	76
A. History and Development of the Company	76
B. Business Overview	87
C. Organizational Structure	175
D. Property, Plants and Equipment	176
Item 4A. Unresolved Staff Comments	179
Item 5. Operating and Financial Review and Prospects	179
A. Consolidated Operating Results	179
B. Liquidity and Capital Resources	236
C. Research and Developments, Patents and Licenses	242
D. Trend Information	243
E. Off-Balance Sheet Arrangements	246
F. Tabular Disclosure of Contractual Obligations	246
G. Safe Harbor	246
Item 6. Directors, Senior Management and Employees	247
A. Directors and Senior Management	247
B. Compensation	250
C. Board Practices	252
D. Employees	253
E. Share Ownership	254
Item 7. Major shareholders and related party transactions	255
A. Major Shareholders	255
B. Related Party Transactions	256
C. Interests of Experts and Counsel	260
Item 8. Financial Information	260
A. Audited Consolidated Statements and Other Financial Information	260
B. Significant Changes	268
Item 9. The Offer and Listing	268
A. Offer and Listing Details	268
B. Plan of Distribution	269
C. Markets	270
D. Selling Shareholders	271
E. Dilution	271

F. Expenses of the Issue	272
Item 10. Additional Information	272
A. Share Capital	272
B. Memorandum and Articles of Association	272
C. Material Contracts	277
D. EXCHANGE CONTROLS	277
E. Taxation	282
F. Dividends and Paying Agents	288
G. Statement by Experts	288
H. Documents on Display	288
I. Subsidiary Information	288
Item 11. Quantitative and Qualitative Disclosures about Market Risk	288
Item 12. Description of Securities Other than Equity Securities	288
Part II	290
Item 13. Defaults, Dividend Arrearages and Delinquencies	290
Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds	290
Item 15. Controls and Procedures	290
A. Disclosure Controls and Procedures	290
B. Management’s Annual Report on Internal Control Over Financial Reporting	290
C. Attestation Report of the Registered Public Accounting Firm	290
D. Changes in Internal Control Over Financial Reporting	291
Item 16. Reserved	291
Item 16A. Audit Committee Financial Expert	291
Item 16B. Code of Ethics	291
Item 16C. Principal Accountant Fees and Services	291
Item 16D. Exemption from the Listing Standards for Audit Committees	292
Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers	292
Item 16F. Change in Registrant’s Certifying Accountant	293
Item 16G. Corporate Governance	293
Item 16H. Mine Safety Disclosures	294
Part III	295
Item 17. Financial Statements	295
Item 18. Financial Statements	295
Item 19. Exhibits	295

DISCLOSURE REGARDING FORWARD-LOOKING INFORMATION

This annual report includes forward-looking statements, principally under the captions “Summary,” “Item 3.D. Risk Factors,” “Item 4. Information on the Company” and “Item 5. Operating and Financial Review and Prospects.” We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting our business. Many important factors, in addition to those discussed elsewhere in this annual report, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among other things:

Factors that could cause actual results to differ materially and adversely include but are not limited to:

changes in general economic, financial, business, political, legal, social or other conditions in Argentina, Brazil in Latin America or in Israel or changes in developed or emerging markets;

changes in capital markets in general that may affect policies or attitudes toward lending to or investing in Argentina or Argentine companies, including volatility in domestic and international financial markets;

inflation and deflation;

fluctuations in prevailing interest rates;

increases in financing costs or our inability to obtain additional financing on attractive terms, which may limit our ability to fund existing operations and to finance new activities;

current and future government regulation and changes in law or in the interpretation by Argentine courts of the recently adopted Civil and Commercial Code, among others;

adverse legal or regulatory disputes or proceedings;

fluctuations and declines in the aggregate principal amount of Argentine public debt outstanding;

government intervention in the private sector and in the economy, including through nationalization, expropriation, labor regulation or other actions;

restrictions on transfer of foreign currencies and other exchange controls;

increased competition in the shopping mall sector, office or other commercial properties and related industries;

potential loss of significant tenants at our shopping malls, offices or other commercial properties;

our ability to take advantage of opportunities in the real estate market of Argentina or Israel on a timely basis;

restrictions on energy supply or fluctuations in prices of utilities in the Argentine market;

our ability to meet our debt obligations;

shifts in consumer purchasing habits and trends;

technological changes and our potential inability to implement new technologies;
deterioration in regional, national or global businesses and economic conditions;
incidents of government corruption that adversely impact the development of our real estate projects.
fluctuations and declines in the exchange rate of the Peso and the NIS against other currencies;
risks related to our investment in Israel; and
the risk factors discussed under “Item 3.D. Risk Factors.”

You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “intends,” “plans,” “estimates,” “anticipates,” “could,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “continue” or similar expressions. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to update publicly or to revise any forward-looking

statements after we distribute this annual report because of new information, future events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this annual report might not occur and are not guarantees of future performance.

As of June 30, 2018, the Company has established two operations centers to manage its global business, which we refer to in this annual report as the “Operation Center in Argentina” and the “Operation Center in Israel.”

You should not place undue reliance on such statements which speak only as of the date that they were made. These cautionary statements should be considered in connection with any written or oral forward-looking statements that we might issue in the future.

Available information

We file annual and current reports and other information with the United States Securities and Exchange Commission, or “SEC.” You may read and copy any document we file with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website at <http://www.sec.gov> that contains reports and other information regarding issuers that file electronically with the SEC. The information contained on this website does not form part of this annual report form 20-F.

You may obtain a copy of these filings at no cost by writing to us at: Moreno 877, 24th Floor, City of Buenos Aires (C1091AAQ), Argentina or telephoning us at +54 (11) 4814-7800.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

As used throughout this annual report, the terms “Cresud,” “Group,” “we,” “us,” and “our” refer to Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria, together with our consolidated subsidiaries, except where we make clear that such terms refer only to the parent company.

The terms “Argentine government” and “government” refer to the federal government of Argentina, the term “Central Bank” refers to the Banco Central de la República Argentina (the Argentine Central Bank), the terms “CNV” and “CNV Rules” refers to the Comisión Nacional de Valores (the Argentine National Securities Commission) and the rules issued by the CNV, respectively. In this annual report, when we refer to “Peso,” “Pesos” or “Ps.” we mean Argentine Pesos, the legal currency of Argentina; when we refer to “U.S. dollar,” “U.S. dollars” or “US\$” we mean United States dollars, the legal currency of the United States; when we refer to “NIS” we mean Israeli New Shekel.

Financial Statements

This annual report contains our Audited Consolidated Financial Statements as of June 30, 2018 and 2017 for our fiscal years ended June 30, 2018, 2017 and 2016 (our “Audited Consolidated Financial Statements”). We prepare our Audited Consolidated Financial Statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Our Audited Consolidated Financial Statements included elsewhere herein have been audited by Price Waterhouse & Co S.R.L. City of Buenos Aires, Argentina, member of PriceWaterhouseCoopers International Limited, an independent registered public accounting firm whose report is included herein.

IDB Development Corporation Ltd. (“IDBD”) and Discount Investment Corporation (“DIC”) report their quarterly and annual results following the Israeli regulations, whose legal deadlines are after the deadlines in Argentina and since

IDBD and DIC fiscal years end differently from IRSA, the results of operations from IDBD and DIC are consolidated with a lag of three months and adjusted for the effects of significant transactions taking place in such period. For these reasons, it is possible to obtain the quarterly results of IDBD and DIC in time so that they can be consolidated by IRSA and reported to the CNV in its Consolidated Financial Statements within the legal deadlines set in Argentina. This way, the consolidated comprehensive income for the year ended June 30, 2018 includes the results of IDBD and DIC for the 12-month period from April 1, 2017 to March 31, 2018, adjusted for the significant transactions that occurred between April 1, 2018 and June 30, 2018. In addition, IDBD's results of operations for the period beginning October 11, 2015 (the acquisition of control) through March 31, 2016 are included in the company's consolidated comprehensive income for fiscal year ended June 30, 2016, adjusted by significant transactions occurred between April 1, 2016 and June 30, 2016.

As required under Rule 3-09 of Regulation S-X, this annual report contains the audited consolidated financial statements of December 31, 2017 and for the fiscal year ended December 31, 2016 and 2017 of Banco Hipotecario S.A. ("Banco Hipotecario"), in which IRSA holds a 29.91% equity interest. Such financial statements have been prepared in conformity with the regulations set forth by the Central Bank ("Argentine Banking GAAP"), which differ in certain significant respects from accounting principles generally accepted in the United States of America ("U.S. GAAP") and IFRS. Note 27 to the audited consolidated financial statements of Banco Hipotecario provides a description of the principal differences between Argentine Banking GAAP and IFRS (as adopted by the Central Bank), as they relate to us, and a reconciliation to IFRS (as adopted by the Central Bank) of the consolidated balance sheet of Banco Hipotecario as of December 31, 2017 and of our consolidated income statement for the year ended December 31, 2017. In addition, Note 32 to the audited consolidated financial statements of Banco Hipotecario provides a description of the principal differences between Argentine Banking GAAP and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of our consolidated shareholders' equity as of December 31, 2017 and 2016 and our consolidated net income for the years ended December 31, 2017 and 2016.

Effective January 1, 2018, Banco Hipotecario began preparing its consolidated financial statements in accordance with IFRS, with certain criteria of measurement and exposure specifically established by the Central Bank (see note 27 to our audited consolidated financial statements). As established in IFRS 1 “First Time Adoption of International Financial Reporting Standards,” Banco Hipotecarios’s transition date to IFRS (as adopted by the Central Bank) is January 1, 2017.

The Company has established two Operations Centers to manage its global business, mainly through the following companies:

- (i) Corresponds to Company’s associates, which are hence excluded from consolidation.
- (ii) The results are included in discontinued operations, due to the loss of control in June 2018.
- (iii) Disclosed as financial assets held for sale.
- (iv) Assets and liabilities are disclosed as held for sale and the results as discontinued operations.
- (v) For more information about the change within the Operations Center in Israel see Note 4 to the Audited Consolidated Financial Statements.

Inflation

We have determined that, as of July 1, 2018, the Argentine economy qualifies as a hyperinflationary economy according to the guidelines to International Accounting Standard 29, Financial Reporting in Hyperinflationary Economies (“IAS 29”) since the total cumulative inflation in Argentina in the 36 months prior to July 1, 2018, as measured by the wholesale price index published by the INDEC, exceeded 100%. IAS 29 will be applicable to our financial statements for periods ending after July 1, 2018. See Note 2.1(a) to our Audited Consolidated Financial Statements.

IAS 29 requires that the financial information recorded in a hyperinflationary currency be adjusted by applying a general price index and expressed in the measuring unit (the hyperinflationary currency) current at the end of the reporting period. Therefore, our audited consolidated financial statements included in this annual report will be adjusted by applying a general price index and expressed in the measuring unit (the hyperinflationary currency) current at the end of the most recent reporting period. We have not estimated yet the impact of the application of IAS 29 provisions in our audited consolidated financial statements. Our Audited Consolidated Financial Statements included in this annual report were not restated into constant currency.

For more information, see “Risk Factors—Risks Relating to Argentina—The peso qualifies as a currency of a hyperinflationary economy under IAS 29. We cannot assure you whether regulatory agencies of the Argentine national government will require us to not apply IAS 29 to financial statements furnished to such regulators” and “—Continuing inflation may have an adverse effect on the economy and our business, financial condition and results of operations.”

Currency translations and rounding

In this annual report where we refer to “Peso,” “Pesos,” or “Ps.” we mean Argentine Pesos, the lawful currency in Argentina; when we refer to “U.S. Dollars,” or “US\$” we mean United States Dollars, the lawful currency of the United States of America; when we refer to “Real,” “Reals,” “Rs.” or “R\$” we mean Brazilian Real, the lawful currency in the Federative Republic of Brazil; when we refer to “NIS,” we mean New Israeli Shekels, the lawful currency of Israel; and when we refer to “Central Bank” we mean the Banco Central de la República Argentina (Argentine Central Bank).

Our functional and presentation currency is the Peso, and accordingly our Financial Statements included in this annual report are presented in Pesos. We have translated some of the Peso amounts contained in this annual report into U.S. dollars for convenience purposes only. Unless otherwise specified or the context otherwise requires, the rate used to convert Peso amounts to U.S. dollars is the seller exchange rate quoted by Banco de la Nación Argentina of Ps.28.8500 per US\$1.00 for information provided as of June 30, 2018. The average seller exchange rate for the fiscal year 2018, quoted by Banco de la Nación Argentina was Ps.19.4888. The U.S. dollar-equivalent information presented in this annual report is provided solely for the convenience of investors and should not be construed as implying that the Peso amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any other rate. The seller exchange rate quoted by Banco de la Nación Argentina was Ps.36.7900 per US\$1.00 as of October 25, 2018. See “Item 3. Key Information—Local Exchange Market and Exchange Rates.” and “Item 3. Risk Factors— Continuing inflation may have an adverse effect on the economy and our business, financial condition and the results of our operations”.

We have also translated certain NIS amounts into U.S. dollars at the offer exchange rate for June 30, 2018 which was NIS 3.6553=U.S.\$1.00. We make no representation that the Peso, NIS or U.S. dollar amounts actually represent or could have been or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all. See “Item 3 – Key information - Local Exchange Market and Exchange Rates.”

Certain numbers and percentages included in this annual report have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in various tables or other sections of this annual report may vary slightly, and figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them.

Fiscal years

References to fiscal years 2018, 2017, 2016, 2015 and 2014 are to our fiscal years starting on July 1 and ending on June 30 of each such year.

Certain measurements

In Argentina the standard measure of area in the real estate market is the square meter (m²), while in the United States and certain other jurisdictions the standard measure of area is the square foot (sq. ft.). All units of area shown in this annual report (e.g., gross leasable area of buildings (“GLA” or “gross leasable area”), and size of undeveloped land) are expressed in terms of square meters. One square meter is equal to approximately 10.764 square feet. One hectare is equal to approximately 10,000 square meters and to approximately 2.47 acres.

As used herein, GLA in the case of shopping malls, refers to the total leasable area of the property, regardless of our ownership interest in such property (excluding common areas and parking and space occupied by supermarkets, hypermarkets, gas stations and co-owners, except where specifically stated).

Market share data

Information regarding market share in a specified region or area is based on data compiled by us from internal sources and from publications such as Bloomberg, the International Council of Shopping Centers, or “ICSC,” the Argentine Chamber of Shopping Centers (Cámara Argentina de Shopping Centers), and Colliers International. While we believe that these sources are reliable, we have not independently verified the information prepared by these sources.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

This item is not applicable.

Item 2. Offer Statistics and Expected Timetable

This item is not applicable.

Item 3. Key Information

A. SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data has been derived from our Audited Consolidated Financial Statements as of the dates and for each of the periods indicated below. This information should also be read in conjunction with our Audited Consolidated Financial Statements included under Item 8. “Financial Information”, and the discussion in Item 5. “Operating and Financial Review and Prospects”.

The selected consolidated statements of income and other comprehensive income data for the years ended June 30, 2018, 2017 and 2016 and the selected consolidated statements of financial position data and cash flow as of June 30, 2018 and 2017 have been derived from our Audited Consolidated Financial Statements included in this annual report, which have been audited by Price Waterhouse & Co S.R.L. Buenos Aires, Argentina, member of PriceWaterhouseCoopers International Limited, an independent registered public accounting firm.

The summarized consolidated statement of comprehensive income and cash flow data for the fiscal year 2015 and 2014 and the summarized consolidated statement of financial position data as of June 30, 2016, 2015 and 2014 have been derived from our audited consolidated financial statements for the fiscal years ended June 30, 2016, 2015 and 2014 which have been retroactively recast to give effect to the change of measurement basis for our investment properties. These financial statements are not included in this annual report.

We have determined that, as of July 1, 2018, the Argentine economy qualifies as hyperinflationary economy according to IAS 29. IAS 29 requires that the financial statements recorded in the currency of a hyperinflationary economy be adjusted in terms of a measuring unit current at the end of reporting period. We did not apply the restatement criteria to the financial information for the periods reported in this annual report since IAS 29 will be applicable to our financial statements for periods ending after July 1, 2018. For more information on inflation, see “Operating and Financial Review and Prospects — Factors Affecting our Results of Operations—Effects of Inflation.”

On October 11, 2015, we acquired, through our subsidiary IRSA, control of IDBD. In conformity with IFRS 3, IDBD’s information is included in our financial statements since the acquisition date, without affecting the information from previous years. Therefore, the consolidated financial information for periods ending after the acquisition date may not be comparable to previous periods. For more information see, Item 5. “Operating and Financial Review and Prospects-Factors Affecting Comparability of our Results.”

Changes in presentation of financial statements previously issued due to change in accounting policies

Expenses relating to the agricultural activity include items such as planting, harvesting, irrigation, agrochemicals, fertilizers, veterinary services and others. The Group chose not to continue to charge these costs of production directly in the Statements of Income and Other Comprehensive Income as they are incurred; instead, it capitalized them as part of the cost of biological assets. Both options are acceptable under IAS. The Group believes this change will help to better understand the performance of the agribusiness activity and therefore provides more information that is relevant to Management, users of the Financial Statements and others.

The Company has therefore retroactively modified the comparative amounts of the Consolidated Financial Statements as required by IAS 8, reflecting the aforementioned change, reducing "Cost" line and increasing "Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest" line in the Statements of Income and Other Comprehensive Income in Ps. 1,995 million, Ps. 1,236, million, Ps. 1,236 million and Ps. 468 million as of June 30, 2017, 2016, 2015 and 2014 respectively. There is no impact in any of the total and subtotal amounts of the Financial Statements.

For the fiscal year ended June 30,

2018 (1) 2018 2017 2016 2015 2014

(in millions of US\$) (in millions of Ps.; except per share data)

Consolidated Statements of Income and Other Comprehensive Income

Revenues	1,351	38,986	30,746	15,622	5,652	4,604
Costs	(859)	(24,780)	(19,330)	(9,380)	(3,379)	(2,746)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	36	1,042	204	401	111	220
Changes in the net realizable value of agricultural produce after harvest	11	303	(74)	208	(34)	(17)
Gross profit	539	15,551	11,546	6,851	2,350	2,061
	-	-	-	-	-	-
Net gain from fair value adjustment of investment properties	784	22,629	4,888	17,516	4,055	4,235
Gain / (loss) from disposal of farmlands	31	906	280	(2)	550	90
General and administrative expenses	(153)	(4,414)	(3,628)	(1,950)	(607)	(534)
Selling expenses	(184)	(5,306)	(4,503)	(2,173)	(474)	(352)
Other operating results, net	40	1,152	(128)	(110)	17	(88)
Management fees	(19)	(554)	(200)	(534)	(145)	(70)
Profit from operations	1,038	29,964	8,255	19,598	5,746	5,342
	-	-	-	-	-	-
Share of (loss) / profit of associates and joint ventures	(21)	(603)	96	534	(817)	(322)
Profit from operations before financing and taxation	1,017	29,361	8,351	20,132	4,929	5,020
	-	-	-	-	-	-
Finance income	69	1,998	1,055	1,450	246	290
Finance cost	(908)	(26,209)	(8,936)	(7,351)	(1,685)	(2,852)
Other financial results	13	384	3,178	(145)	149	(12)
Financial results, net	(826)	(23,827)	(4,703)	(6,046)	(1,290)	(2,574)
Profit before income tax	191	5,534	3,648	14,086	3,639	2,446
Income tax	(8)	(233)	(2,713)	(5,785)	(1,396)	(1,090)
Profit for the year from continuing operations	183	5,301	935	8,301	2,243	1,356
Profit from discontinued operations after income tax	433	12,479	4,093	817	-	-
Profit for the year	616	17,780	5,028	9,118	2,243	1,356
	-	-	-	-	-	-

Profit / (loss) from continuing operations attributable

to:

Equity holders of the parent	(28)	(772)	461	4,951	954	641
Non-controlling interest	211	6,073	474	3,350	1,289	715
	-	-	-	-	-	-

Profit for the year attributable to:

Equity holders of the parent	187	5,392	1,511	5,167	954	641
Non-controlling interest	429	12,388	3,517	3,951	1,289	715

IFRS

For the fiscal year ended June 30,

2018 (1)2018 2017 2016 2015 2014

Consolidated Statements of Comprehensive Income

Profit for the year	616	17,780	5,028	9,118	2,243	1,356
Other comprehensive income / (loss):						
Items that may be reclassified subsequently to profit or loss:						
Currency translation adjustment	447	12,910	3,718	(1,715)	(445)	1,268
Share of other comprehensive income of associates and joint ventures	119	3,426	354	5,100	-	-
Revaluation surplus	7	192				
Change in the fair value of hedging instruments net of income taxes	(1)	(19)	124	3	-	-
Items that may not be reclassified subsequently to profit or loss:						
Actuarial loss from defined benefit plans	-	(12)	(10)	(10)	-	-
Other comprehensive income for the year from continuing operations	572	16,497	4,186	3,378	(445)	1,268
Other comprehensive income for the year from discontinued operations	15	435	1,170	1,641	-	-
Total other comprehensive income for the year	587	16,932	5,356	5,019	(445)	1,268
Total comprehensive income for the year	1,203	34,712	10,384	14,137	1,798	2,624
	-	-	-	-	-	-
Total comprehensive income from continuing operations	756	21,798	5,121	11,679	1,798	2,624
Total comprehensive income from discontinued operations	447	12,914	5,263	2,458	-	-
Total comprehensive income for the year	1,203	34,712				