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Investment Summary — Cresud

(NASDAQ: CRESY)

The Manual of Ideas

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Why Cresud?

- “Price Is What You Pay:” \$13 for 1 American Depositary Share (ADS)

| NASDAQ: CRESY | |
|---|----------------------|
| Recent ADS price | \$13.00 |
| Market value | \$652 million |
| Net debt (estimated at parent-level only; as of 12/31/2011) | \$151 million |
| Enterprise value | \$803 million |

- “Value Is What You Get:” ~2,000 sq ft of freehold land in Argentina*

| | |
|--|----------------------|
| Enterprise value | \$803 million |
| Less: recent market value of Cresud's 63% stake in IRSA (NYSE: IRS) | \$382 million |
| Less: recent market value of Cresud's 36% stake in BrasilAgro (OTC: BRCPY) | \$105 million |
| Implied enterprise value of Cresud ex IRSA/BrasilAgro | \$317 million |
| Cresud's freehold land (ex IRSA/BrasilAgro)** | 1.2 million acres |
| Implied enterprise value per acre | \$270 |

Significantly understates intrinsic value
(even more so if IRSA/BrasilAgro market value < intrinsic value)

* Implied value of Cresud's owned land after deducting Cresud's stakes in IRSA and BrasilAgro (at their recent market value) from Cresud's enterprise value (Cresud equity market value + Cresud net debt held at parent-level).

** 90%+ of which is in Argentina. Includes owned land only (i.e. excludes 0.3 million acres of land held under a 35-year concession and 0.2 million acres of leased land. Roughly 10% of owned land is cropland (wheat, corn, sunflower, soybean, sorghum and other crops), ~40% is pastures (beef cattle, sheep) and the remainder are natural woodlands (which may be converted into pastures/cropland in the future).

Overview

What is Cresud?

- One of the largest agricultural land owners in Argentina, including fertile farmland in the “pampas.”
 - Active in crops/milk production and beef cattle raising.
- Owns significant stakes in other companies, including:
 - **IRSA**: one of Argentina’s largest shopping center owners (through subsidiary Alto Palermo) and office landlords. IRSA also owns hotels and a real estate development portfolio in Argentina (mostly residential) as well as equity stakes in a leading Argentine bank, U.S. real estate, and other assets;
 - **BrasilAgro**: an agricultural land owner and producer operating in Brazil.
- Incorporated in Argentina, Cresud has share listings in Buenos Aires and on the Nasdaq.
 - Cresud operates from a headquarters in Buenos Aires.

Brief History

- 1936: Incorporated as a subsidiary of Credit Foncier, a Belgian loan provider active in Argentina, to administer real estate foreclosed by Credit Foncier.
- 1960: Listed on the Buenos Aires Stock Exchange.
- 1960s/70s: Business shifted to exclusively agricultural activities.
- 1993-95: **Backed by George Soros, Argentinian investor Eduardo Elsztain acquires majority control of Cresud.**

Brief History (Continued)

- 1995-Present: Chairman Elsztain embarks on a major expansion of the company's activities:
 - **Increases owned land holdings** from ~50,000 acres in 1994 to 1.5 million acres, including long-term concessions, at yearend 2011 (ex BrasilAgro).
 - **Lists shares on the Nasdaq** in 1997.
 - **Survives Argentina's 2002 peso devaluation** as the business model (ownership, development and operation of real assets) proves resilient: US\$ land values "back at the levels recorded prior to the devaluation" by 2003.
 - **Invests into IRSA starting in 2000/01** (stake increases from 20% in 2002 to 50% in 2009 and 63% presently).
 - **Participates in the creation of BrasilAgro in 2005**, with the purpose of replicating its business model in Brazil.

Cresud Today

- Reports financials in two main segments:
 1. Agriculture/Feedlot:

Includes the core land assets and agricultural operations in Argentina, as well as the consolidated operations of BrasilAgro since June 30, 2011 (Cresud owns 36% of BrasilAgro).
 2. Real Estate:

Includes the consolidated financials of IRSA since October 1, 2008 (Cresud owns 63% of IRSA).
- Given the nature and history of the business, the consolidated financials* do not aid much in the analysis.

* Cresud reports its financials in Argentinian GAAP and Argentinian pesos, with selected figures provided in U.S. GAAP and U.S. dollars, based on filings with the SEC (e.g. on Form 20-F). Financials are audited by an Argentinian member firm of PricewaterhouseCoopers. For the fiscal year ended June 30, 2012, Cresud will be required for the first time to prepare financial statements in accordance with IFRS as issued by the IASB.

Strategy and Business Model

Strategy*

- “Seek to maximize our return on assets and overall profitability by:
 - (i) Identifying, acquiring and exploiting agricultural properties having attractive prospects for agricultural production and/or long-term value appreciation and selectively disposing of properties as appreciation is realized;
 - (ii) Optimizing the yields and productivity of our agricultural properties through the implementation of state-of-the-art technologies and agricultural techniques; and
 - (iii) Preserving the value of our significant long-term investment in the urban real estate sector through our affiliate IRSA.”

* Source: Form 20-F for the fiscal year ended June 30, 2011.

Maximizing Value of Agricultural Land Assets

- Conducts agricultural activities to maximize the value of the land.
 - Seeks to rotate properties over time by purchasing large parcels of land with a high potential for appreciation and selling them selectively as opportunities arise to realize attractive capital gains.
- This strategy is based on the following principles:
 - (i) Acquire under-utilized properties and enhance their land use.** (non-productive land → cattle feeding land → more profitable agricultural land uses → rural-to-urban transformation).
 - (ii) Apply modern technologies to enhance operating yields.** (e.g. genetically modified seeds, direct sowing techniques, machinery, crop yield optimization through land rotation, irrigation and the use of fertilizers, feedlot to optimize beef cattle management and milking technologies).
 - (iii) Anticipating market trends** in the agribusiness sector.
 - (iv) Expansion** outside of Argentina.

Agricultural Land Strategy: A Success

- Sold 25 farms from 1998 through 2011 at **~2.5x book value** receiving 304 million Argentine pesos, net of tax.
 - Includes receipt of 103 million Argentine pesos in 2010-11 at ~3.0x book.*
- Shrewd expansion into Brazil's agricultural sector through participation in the creation of BrasilAgro in 2005.
 - Two farm sales to date for BRL ~48 million** (2.4x invested capital of BRL ~20 million) reflect inherent value creation potential of the remaining nine farms.
- Invested ~\$115 million to date for 36% of BrasilAgro (worth ~\$105 million at the recent share price).
 - However, as BrasilAgro trades at 0.9x tangible book, the recent market value understates the value of its assets less liabilities, based on our estimates.

* The exchange rate has averaged ~4.0 Argentine pesos to 1 US\$ in Cresud's fiscal 2010-11. The 2010-11 sales covered ~42,700 acres across three farms, representing net proceeds of ~\$620 per acre after all taxes and commissions.

** The recent exchange rate averages ~1.8 Brazilian Real (BRL) to 1 US\$.

Urban Real Estate Strategy

- Cresud management “believe that IRSA is an ideal vehicle through which to participate in the urban real estate market.”
- IRSA – a conglomerate:
 - ~35% of assets are in shopping centers (via 95% stake in Alto Palermo), ~25% in offices, ~15% in a stake in leading Argentine bank Banco Hipotecario, ~10% in residential developments, ~5% in hotels and ~10% in assets outside of Argentina (mainly in the U.S.). Argentinian assets are mainly in Buenos Aires (prime areas).
- Strategy seeks to generate stable cash flows through:
 - (i) Operating real estate rental assets (shopping centers, offices and hotels).
 - (ii) Taking advantage of development opportunities.
 - (iii) Increasing the productivity of land reserves via partnerships with developers.

Urban Real Estate Strategy: A Success

- Invested ~960 million Argentine pesos to acquire a 63% equity stake in IRSA over time.
 - Cresud acquired the majority of this stake in 2007-11. The stake is worth ~2.0 billion Argentine pesos based on the recent market value of IRSA (implies ~1.3x tangible book, which understates intrinsic value in our view*).
- IRSA investment is attractive in US\$ terms despite a depreciation of the Argentine peso versus the US\$ (~40% since 2008).
 - While our assessment is based on the recent market value of Cresud's IRSA stake, the latter understates the inherent value of its assets less liabilities, based on our estimates.
- IRSA has also paid out nearly 500 million Argentine pesos of cash dividends from 2009 through 2011, including to Cresud.

* Based on Argentinian GAAP as of December 31, 2011. Book value understates the intrinsic value of IRSA's underlying assets, in our view, mainly due to the accounting for depreciation and the effects of inflation. Rental properties are carried at cost (adjusted for inflation only through February 2003), less accumulated depreciation and allowances for impairment. Most of IRSA's properties were acquired in the 1990s.

Description of Key Assets

Key Agriculture Assets (ex BrasilAgro)

- 26 owned farms consisting of 1.2 million acres; 90%+ of acreage is located in Argentina.
 - ~10% of the acreage is used for crops, ~20% for beef cattle production, ~20% for sheep production and the remaining ~50% is natural woodlands (which may be converted into farmland/pastures over time).
- Rights to ~325,000 acres of land in Argentina under a 35-year concession.
 - Includes option to extend for another 29 years.
- ~160,000 leased acres in Argentina
 - ~80% used for crop production; rest for beef cattle production.
- Working capital in the agricultural/feedlot business
 - Includes biological assets (e.g. beef cattle).

Owned Farms (ex BrasilAgro)

| Farm | Argentinian Province or Country | Main Business | Gross Size (in acres) | Date Acquired | Book Value (\$MM) | Book Value (ARS MM) |
|-------------------------------------|---------------------------------|--------------------------------|-----------------------|---------------|-------------------|---------------------|
| Los Pozos | Salta | Cattle/Agriculture/Woodlands | 595,173 | 1995 | \$24 | \$103 |
| 8 de Julio/Estancia Carmen | Santa Cruz | Sheep | 249,357 | 2007/08 | \$2 | \$11 |
| La Suiza | Chaco | Agriculture/Cattle | 103,767 | 1998 | \$9 | \$38 |
| Jerovia ¹ | Paraguay | Agriculture/ Natural Woodlands | 56,313 | 2009 | \$10 | \$45 |
| 6 farms in Bolivia | Bolivia | Agriculture | 40,167 | 2008/09/11 | \$39 | \$166 |
| El Recreo | Catamarca | Natural Woodlands | 30,629 | 1995 | \$0 | \$1 |
| La Esmeralda | Santa Fe | Agriculture/Cattle | 23,154 | 1998 | \$3 | \$13 |
| El Tigre | La Pampa | Agriculture / Milk | 20,670 | 2003 | \$8 | \$36 |
| La Gramilla/Santa Barbara | San Luis | Agriculture under irrigation | 17,426 | 1997 | \$5 | \$21 |
| San Pedro | C. Uruguay | Agriculture | 14,881 | 2005 | \$11 | \$48 |
| San Nicolas/Las Playas ² | Santa Fe/Cordoba | Agriculture/Milk | 7,327 | 1997 | \$4 | \$18 |
| El Invierno | La Pampa | Agriculture | 4,809 | 2005 | \$2 | \$9 |
| La Adela | Buenos Aires | Agriculture | 2,604 | original | \$2 | \$10 |
| La Esperanza | La Pampa | Agriculture | 2,422 | 2008 | \$1 | \$4 |
| Mendoza | Mendoza | Rural property | 2,330 | 2011 | \$2 | \$7 |
| Cactus Argentina | San Luis | Feedlot | 420 | 1997 | \$5 | \$22 |
| Puertas de Lujan | Buenos Aires | Other | 284 | 2008 | \$3 | \$11 |
| Las Vertientes | Cordoba | Silo | 10 | 1998 | \$0 | \$0 |
| 26 owned farms | | | 1,171,742 | | \$131 | \$562 |

As two thirds of the acreage was acquired in the 1990s, book value significantly understates intrinsic value

¹ Owned by Cresca S.A. (through Agrology S.A.). Figures reflect Cresud's proportionate 50% interest.

² Owned by Agro-Uranga S.A. Figures reflect Cresud's proportionate 35.723% interest.

BrasilAgro

- Created in 2005 to replicate Cresud's agricultural land strategy in Brazil.
 - i.e. conducting agricultural activities to maximize the value of the land.
- Became public in 2006 on the “Novo Mercado” (Sao Paolo: AGRO3)
 - Launched an ADR program in 2010 (OTC: BRCPY).
- Owns ~440,000 gross acres in Brazil (no material minority interests).
 - Of which ~75% is potentially productive (~65% for grains/cotton, ~10% sugarcane, ~10% beef/cattle, ~15% forestry).
- Significant working capital, including biological assets.

Cresud owns a 36% equity stake in BrasilAgro

Owned Farms (BrasilAgro)

| Farm | Location in Brazil | Main Business | Gross Size ¹ (in acres) | Date Acquired | Book Value (BRL MM) |
|----------------------------|-------------------------|-------------------|---------------------------------------|---------------|------------------------|
| Chaparral | Correntina | Grains and cotton | 91,879 | Nov-07 | BRL 61 |
| Cremaq | Baixa Grande do Ribeiro | Grains | 80,808 | Oct-06 | 82 |
| Jatoba ² | Barreiras | Grains and cotton | 70,290 | Mar-07 | 50 |
| Nova Buriti | Januária | Forest | 59,916 | Dec-07 | 22 |
| Preferência | Barreiras | Cattle | 43,982 | Sep-08 | 19 |
| Horizontalina | Tasso Fragoso | Grains | 35,482 | Apr-10 | 46 |
| Araucária ³ | Mineiros | Sugar cane | 23,925 | Apr-07 | 71 |
| Partnership I ⁴ | Jaborandi | Grains | 19,025 | n/m | n/m |
| Alto Taquari ³ | Alto Taquari | Sugar cane | 12,815 | Aug-07 | 33 |
| 9 owned farms | | | 438,121 | | BRL 384 |

¹ Attributable to BrasilAgro. ~75% of gross acreage is arable. The estimated production area for the 2011/2012 harvest represents ~35% of gross acreage.

² Owned by Jaborandi S.A. Figures reflect BrasilAgro's 90% interest.

³ Sugarcane investment not included in book value figures.

⁴ BrasilAgro has a purchase option in the "Partnership I Farm."

IRSA

- Publicly-listed (Buenos Aires: IRSA / NYSE: IRS).
- Assets of ~\$1.5 billion, tangible book of ~\$550 million at yearend 2011.
 - Tangible book to assets of ~35%. Trades at ~20% premium to tangible book.
- Owns significant real estate (vast majority located in Buenos Aires):
 - ~310,000 sqm of mostly prime shopping space (via 95%-owned Alto Palermo; most properties acquired in mid-1990s; vast majority 100%-owned);
 - ~325,000 sqm of mostly prime office/other properties (vast majority 100%-owned);
 - Development portfolio (mostly built out residential apartments);
 - Stakes in 4 hotels (Llao Llao, Sheraton Libertador, Intercontinental, Bariloche).
- Additional equity investments:
 - 30% of Banco Hipotecario (Buenos Aires: BHIP), 9% of Hersha (NYSE: HT), 49% of two New York office towers: “Lipstick” and 183 Madison Ave, and others.

Cresud owns a 63% equity stake in IRSA

IRSA - Brief History

- Active in Argentinian real estate since 1991:
 - 1994: Acquires three office towers in prime Buenos Aires following a global public offering of shares.
 - 1996: Expands into the ownership of shopping centers via Alto Palermo (Buenos Aires/Nasdaq: APSA), and the residential real estate market in Buenos Aires.
 - 1997: Enters the hotel market via the acquisition of a 50% interest in the luxury Liao Liao Hotel.
 - 1999: Acquires 2.9% of Banco Hipotecario (Buenos Aires: BHIP) for 30 million pesos at its privatization (stake rises to 6% by 2002, 12% by 2004 and 30% by 2011).

IRSA - Brief History (Continued)

- 2005-08: Continues to acquire shopping centers and office buildings, mainly in Buenos Aires.
- 2008: Acquires for \$23 million a 30% indirect equity interest in the 34-story “Lipstick” office tower in New York City. Attributable stake is 49% presently.
- 2009-10: Continues expansion into the U.S. real estate market with investments into hotel REIT Hersha in 2009 (NYSE: HT) and another New York office tower (183 Madison Avenue) in 2010.
- November 2011: Announces pending investment into hotel REIT Supertel (Nasdaq: SPPR).

Ownership and Management

Equity Ownership

Incentivized to act as "owner"

Major Holders as of March 2012 (excludes dilutive securities):*

| <i>(in millions)</i> | Common Stock* | % of Common Stock* | Recent Market Value (\$MM) |
|--|---------------|--------------------|----------------------------|
| Chairman Eduardo Elsztain / IFISA | 186 | 37% | \$242 |
| Other insiders | 6 | 1% | 8 |
| Total insiders | 192 | 38% | \$250 |
| Top outside shareholders: | | | |
| Tradewinds Global Investors | 51 | 10% | \$66 |
| Argentinian Social Security Agency (ANSES) | 18 | 4% | 23 |
| D. E. Shaw | 14 | 3% | 19 |
| Cresud (treasury shares) | 5 | 1% | 7 |
| Pabrai | 3 | 1% | 4 |

Mohnish Pabrai first reported a stake in 2008, but has been a seller since yearend 2009, when his stake peaked at 1.7 million ADS (~17 million shares).

While Pabrai has sold much of his stake at prices higher than Cresud's recent share price, his sale of 0.7 million ADS at \$10-12 in 4Q11 is not encouraging.

* Cresud has no significant dilutive securities other than 178 million of warrants outstanding. Each warrant entitles the holder to purchase 0.351 new shares for US\$1.5954 per share (~\$16 per ADS). The warrants fall due on May 22, 2015, and are listed on the Buenos Aires Stock Exchange under the symbol "CREW2" and on Nasdaq under the symbol "CRESW". Chairman Eduardo Elsztain, through Inversiones Financieras del Sur S.A. (IFISA), owns nearly 50% of the warrants.

“Owner-Operator” Leadership

- **Elsztain brothers at the helm since 1994.**
 - Eduardo Elsztain (52) and his brother Alejandro (45) have been chairman and CEO, respectively, since 1994.
 - Eduardo Elsztain, who owns 37% through the investment vehicle IFISA, is the creator of the “modern” Cresud, including its expansion into Brazil through BrasilAgro and into commercial/residential real estate and financial services through IRSA.
 - Eduardo, who studied Economic Sciences at the University of Buenos Aires, is also the chairman of related companies IRSA and BrasilAgro, among others. Alejandro Elsztain, who has a degree in agricultural engineering from the University of Buenos Aires, is also the CEO of Alto Palermo (IRSA’s key asset) as well as the vice-chairman of IRSA and director of BrasilAgro, among others.
- **Proven to be good capital allocators over time.**
 - The Elsztain brothers have grown intrinsic value per share and remain incentivized to do so despite governance issues, e.g. “management fee” of 10% of Cresud’s net income to Consultores (85%-owned by Eduardo Elsztain and 15%-owned by vice chairman Saul Zang).
 - Cresud has a history of paying dividends (2% yield based on the 2011 dividend) and engaging in shrewd share issues/buybacks (~35% of the recent share total has been issued at ~\$16 per ADS in March 2008, with ~5% bought back at much lower prices in 2009).
 - No material equity dilution via share and option awards to insiders.

Ownership – Related Companies

Major Holders as of December 31, 2011:

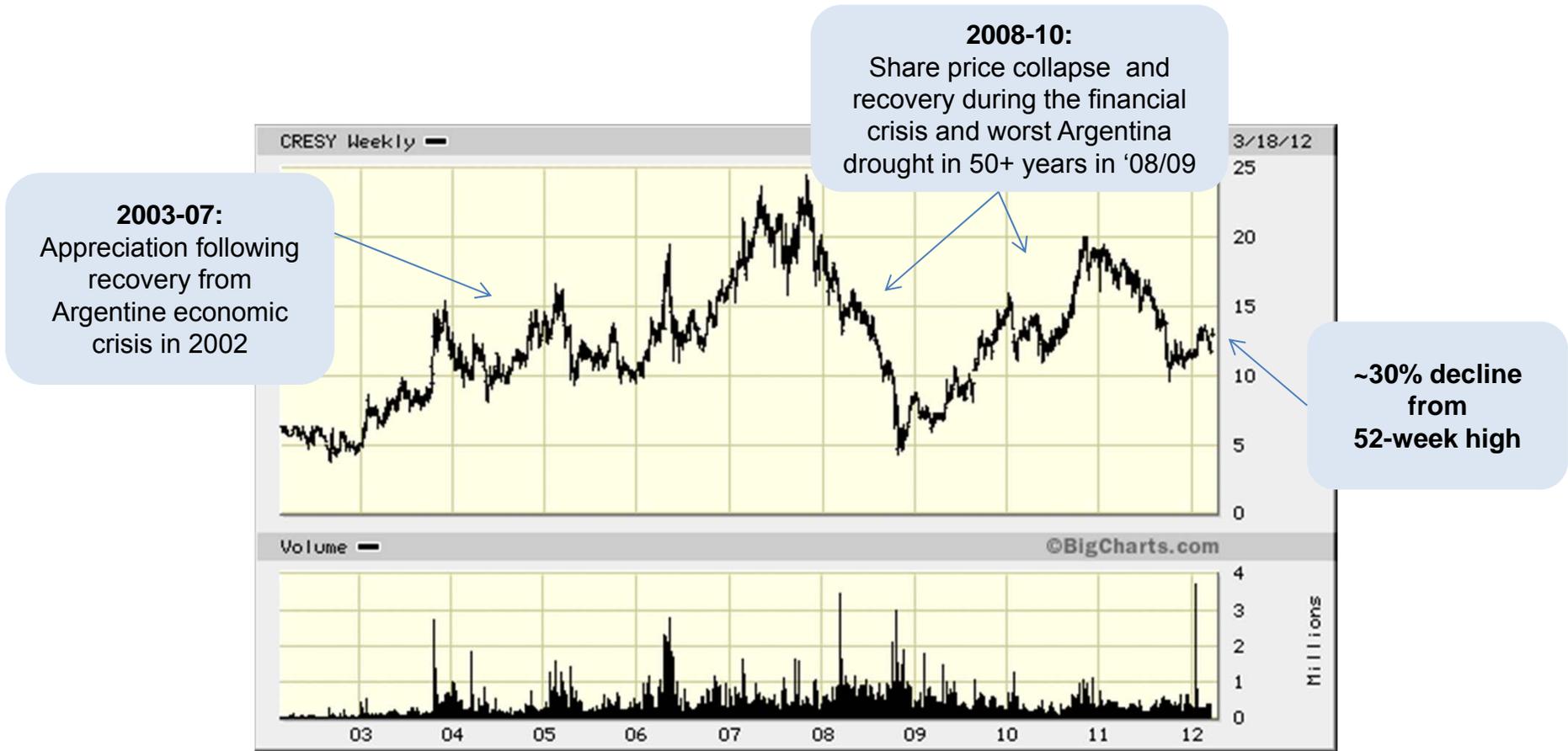
| | |
|---|------|
| IRSA (Chairman and CEO Eduardo Elsztain): | |
| Cresud | 63%* |
| Argentinian Social Security Agency (ANSES) | 4% |
| Directors and officers including Eduardo Elsztain | 2% |
| BrasilAgro (Chairman Eduardo Elsztain): | |
| Cresud | 36% |
| JP Morgan Whitefriars | 11% |
| Credit Suisse Hedging-Griffo Serviços Internacionais S.A. | 8% |
| Elie Horn | 6% |

Cresud has major stakes in two companies with attractive assets and good long-term prospects

* Cresud increased its equity interest in IRSA from 25% at June 30, 2007 to 34% by November 2007. From June 2008 to June 2009, Cresud further increased its stake from 38% to 50% and then to 58% by June 2010. In September 2011 Cresud acquired 2,960,302 of IRSA's American Depositary Receipts which represents 5.1% of IRSA's outstanding capital stock, in the framework of a private transaction, for a total purchase price of US\$30 million. Consequently, Cresud's interest in 63.2% presently.

Market Valuation

10-Year Share Price Chart*



* Reflects Cresud's ADS price performance. Shares outstanding have increased by about 3x since 2003, with share issue proceeds mainly used to fund purchases of assets including an increasing stake in IRSA.

Market Valuation

| | |
|--|----------------|
| Recent ADS price | \$13.00 |
| ADS out, in millions (12/31/2011) | 50 |
| Market value (\$MM) | \$652 |
| Plus: Consolidated debt (12/31/2011)* | 852 |
| Plus: Consolidated minority interest (6/30/2011)** | 540 |
| Minus: Consolidated cash (12/31/2011)* | 131 |
| Enterprise value (\$MM) | \$1,914 |

| | |
|---|------|
| <i>Selected consolidated ratios:</i> | |
| EV/EBITDA (year to December 2011)* | 8.4x |
| Net debt/EBITDA* | 3.1x |
| Debt/assets* | 32% |
| | |
| P/tangible book (U.S. GAAP as of 6/30/2011) | 1.0x |
| Dividend yield (2011 cash dividend) | 2.0% |

Most ratios are not very relevant due to the structure and nature of the business, but still suggest undervaluation

* As reported by Cresud in the presentation dated February 16, 2012 (net debt excludes recent \$14 million debt repurchase.; EV/EBITDA is implied by the net debt-to-EBITDA ratio reported).

** Based on U.S. GAAP as of June 30, 2011. Minority interest mainly relates to IRSA.

Perception and Reality

The Market Is Focused On:

- **Argentina-related risk.**
 - Inflation and economic crisis are synonymous with Argentina's history. While highly unlikely, expropriation may also be a perceived risk.
- **Governance issues.**
 - Control by chairman Elsztain has, for example, led to a "management" fee over 10% of Cresud net income paid to an Elsztain-owned entity.
- **Debt.**
 - \$700+ million of consolidated net debt (3.1x TTM EBITDA).
- **Cyclicity of agricultural business.**

What the Market Is Missing:

- **Cresud owns real assets; has incentivized chairman.**
 - Assets should preserve value even if Argentina's currency depreciates (as in 2002-03). 37%-stake by chairman Elsztain ensures good stewardship.
- **Created value over time.**
 - The Elsztain brothers have proven good capital allocators and have shared value with outside holders.
- **Valuable equity stakes.**
 - IRSA/BrasilAgro stakes: \$500+ million
- **Compelling long-term prospects in South America.**

Intrinsic Value

Valuation Approach

- Sum-of-the-Parts:
 - Rural land assets and agricultural operations.
 - Vast majority of assets in Argentina, some presence in Paraguay and Bolivia.
 - 63% equity stake in IRSA.
 - Vast majority of assets in Buenos Aires, Argentina, with additional assets in other parts of Argentina as well as in the U.S.
 - 36% equity stake in BrasilAgro.
 - Vast majority of assets in Brazil.
 - Other assets/liabilities.
 - Net debt held at Cresud (parent-level only).
 - Other parent-level assets/liabilities not accounted for in the above items: (not material in our estimation)

Land Assets / Agriculture Ops

| | Conservative | Base Case | Aggressive |
|---|----------------------|----------------------|----------------------|
| Acreage of 26 owned farms ¹ | 1.2 million acres | 1.2 million acres | 1.2 million acres |
| Estimated % of farmland (crops/pasture ratio estimated at 50/50) | 50% | 50% | 50% |
| Implied owned farmland acreage | 0.6 million acres | 0.6 million acres | 0.6 million acres |
| Estimated value per acre ² | \$500 | \$750 | \$1,000 |
| Implied value of owned farmland | \$293 million | \$439 million | \$586 million |
| Value of other owned land (~0.6 million acres of woodlands) | \$73 million | \$110 million | \$146 million |
| Value of 35-year concession to 325,000 acres of mostly unproductive land | \$16 million | \$33 million | \$65 million |
| Value of agricultural operations (incl. working capital) | \$0 million | \$25 million | \$50 million |
| Estimated enterprise value of rural land/agriculture operations | \$382 million | \$607 million | \$847 million |
| <i>implied EV-to-book value of 26 owned farms (\$131 million)³</i> | 2.8x | 4.2x | 5.6x |
| <i>implied EV-to-total owned acreage (ex concessions)</i> | \$326 | \$518 | \$723 |

**2010-11 farm sales (~42,700 acres across three farms)
imply ~3.0x book value and
~\$620 per acre after all taxes and commissions**

(Cresud sold 25 farms from 1998
through 2011 at ~2.5x book value)

¹ Excludes BrasilAgro. The vast majority of the farms are owned 100% by Cresud; for the others, the land area reflects Cresud's proportion only.

² Cresud sold ~42,700 acres across three farms in 2010-11, representing net proceeds of ~\$620 per acre after all taxes and commissions.

³ Cresud sold 25 farms from 1998 through 2011 at ~2.5x book value, receiving 304 million Argentine pesos, net of tax. This includes the receipt of 103 million Argentine pesos in 2010-11, which implies an average sales price at ~3.0x book value.

Selected Farmland Prices*

| Country | Price Notes | Average Price per Hectare (\$ in millions) | Average Price per Acre ¹ (\$ in millions) |
|------------------|---|--|--|
| New Zealand | Dairy farms | \$23,000 | \$9,300 |
| England | Average all land types | 22,000 | 8,900 |
| U.S. | Quality dryland in cornbelt states | 16,000 | 6,500 |
| Brazil | Top sugar cane land in Sao Paolo | 12,000 | 4,850 |
| Brazil | Dryland double-cropping in Mato Grasso | 7,000 | 2,850 |
| Brazil | Dryland double-cropping in w est Bahia | 6,000 | 2,400 |
| Poland | Price dependent on size of holding | 4,550-8,125 | 1,850-3,300 |
| Romania | Price dependent on size of holding | 1,560-3,250 | 650-1,300 |
| Australia | Dryland arable w ith reliable rainfall | 1,600-1,700 | 650-700 |
| Canada | Saskatchew an province | 1,300 | 550 |
| Zambia | Long leasehold | 1,000-1,500 | 400-600 |
| Russia | Price dependent on size of holding ² | 300-1,000 | 120-400 |
| Brazil | Native bush w ith high cattle potential in Para | 300 | 120 |
| Ukraine | 5-10 year lease rights | 150-350 | 60-140 |
| Argentina | Central provinces | \$5,000-10,000 | ~\$2,000-4,000 |
| Argentina | Northern provinces | \$1,200-2,500 | ~\$500-1,000 |

¹ Based on 1 hectare = 2.471 acres. Figures are rounded.

² Price is also dependent on progress of freehold application.

Our value per acre assumptions for Cresud compare favorably relative to Argentina and the rest of the world

Stake in IRSA — Assumptions

| | Conservative | Base Case | Aggressive |
|--|------------------------|------------------------|------------------------|
| Value of IRSA's shopping centers - owned through 95% stake in Alto Palermo (Buenos Aires: APSA / Nasdaq: APSA): | | | |
| Total leasable area (excludes common areas and parking) ¹ | 3.3 million sq ft | 3.3 million sq ft | 3.3 million sq ft |
| Estimated value per square foot | \$150 | \$200 | \$250 |
| Estimated enterprise value of shopping centers (Alto Palermo)² (A) | \$498 million | \$664 million | \$830 million |
| Value of IRSA's offices and other properties (excl. hotels/developments): | | | |
| Total leasable area (excludes common areas and parking) ³ | 3.5 million sq ft | 3.5 million sq ft | 3.5 million sq ft |
| Estimated value per square foot ⁴ | \$100 | \$150 | \$200 |
| Estimated enterprise value of offices/other properties (B) | \$351 million | \$527 million | \$702 million |
| Value of IRSA's hotels/developments: | | | |
| Estimated book value excluding minority interests (12/31/2011) | \$150 million | \$150 million | \$150 million |
| Fair value multiple | 0.5x | 1.0x | 1.5x |
| Estimated equity value of hotels/developments (C) | \$75 million | \$150 million | \$225 million |
| Value of IRSA's key equity investees: | | | |
| Banco Hipotecario S.A. (Buenos Aires: BHIP) - Cresud owns 30% ⁵ | \$150 million | \$220 million | \$330 million |
| Hersha Hospitality Trust (NYSE: HT) - Cresud owns 9% ⁶ | \$80 million | \$80 million | \$80 million |
| New Lipstick LLC - Cresud owns 49% | \$50 million | \$50 million | \$50 million |
| Rigby 183 LLC - Cresud owns 49% | \$15 million | \$15 million | \$15 million |
| Estimated value of equity investees (D) | \$295 million | \$365 million | \$475 million |
| Estimated value of IRSA's assets = (A) + (B) + (C) + (D) | \$1,219 million | \$1,706 million | \$2,233 million |
| Less: Net debt at IRSA as of 12/31/2011 (includes Alto Palermo) ⁷ | -\$571 million | -\$571 million | -\$571 million |
| Less: Est. equity value attributable to minorities (most properties owned 100%) | -\$42 million | -\$51 million | -\$59 million |
| Estimated equity value of IRSA | \$607 million | \$1,085 million | \$1,604 million |

¹ There are about 15 shopping centers, most of which were acquired in the mid-1990s, and most of which are located in Buenos Aires. Occupancy at yearend 2011 stood at 98%.

² The recent market value of Alto Palermo was \$600-650 million (implies enterprise value of \$750-800 million including net debt attributable to Alto Palermo). This makes our conservative/base case estimates look rather low. Alto Palermo owns the vast majority of shopping centers at ~100%.

³ There are 20+ office buildings, most of which are located in Buenos Aires. Office occupancy at yearend 2011 stood at 96%. Other properties represent about 55% of the total leasable area. Occupancy at these other properties stood at 96% at yearend 2011. IRSA owns the vast majority of offices and other properties at ~100%.

⁴ IRSA bought two prime office towers in Buenos Aires at \$315-330/sq ft in 2007 and 2008 (BankBoston Tower and the Republica building). While this implies that our estimates are rather low, not all of the offices are likely as valuable and our values also account for non-office properties, which are likely worth less.

⁵ Conservative value based on recent market value, which implies 0.7x tangible book. Base and aggressive cases assume a valuation of 1.0x and 1.5x tangible book, respectively. 36

⁶ Based on recent market value. ⁷ Based on figures included in Cresud's presentation and press release related to results for the October-December 2011 quarter.

Stake in IRSA — Outcome

| | Conservative | Base Case | Aggressive |
|--|----------------------|------------------------|------------------------|
| Estimated equity value of IRSA (Buenos Aires: IRSA / NYSE: IRS): | \$607 million | \$1,085 million | \$1,604 million |
| Cresud's equity stake in IRSA | 63% | 63% | 63% |
| Implied value of Cresud's IRSA stake | \$384 million | \$686 million | \$1,014 million |
| <i>as % of recent market value of Cresud's stake in IRSA</i> | 101% | 180% | 266% |
| <i>implied p/tangible book</i> | 1.1x | 2.0x | 2.9x |
| <i>implied EV/EBITDA, ex investees, for year to June 2011 (~\$200 million)</i> | 4.6x | 6.7x | 8.8x |

Cresud's IRSA stake is worth ~\$385 million at recent market prices
(ignores control premium)

The value of Cresud's IRSA stake is missed by the market. IRSA itself is significantly undervalued.

Stake in BrasilAgro

| Value of equity stake in BrasilAgro (Sao Paolo: AGRO3 / OTC: BRCPY): | | | |
|---|----------------------|----------------------|----------------------|
| Acreage of 9 owned farms ¹ | 0.4 million acres | 0.4 million acres | 0.4 million acres |
| Estimated % potentially productive farmland (mostly crops) | 65% | 70% | 75% |
| Implied owned farmland acreage | 0.3 million acres | 0.3 million acres | 0.3 million acres |
| Estimated value per acre | \$1,000 | \$1,500 | \$2,000 |
| Implied value of owned farmland | \$285 million | \$460 million | \$657 million |
| Value of agricultural operations (incl. working capital) | \$0 million | \$0 million | \$0 million |
| Estimated value of BrasilAgro's assets | \$285 million | \$460 million | \$657 million |
| Plus: Net cash at BrasilAgro (12/31/2011) | \$10 million | \$10 million | \$10 million |
| Less: Est. equity value attributable to minorities | \$0 million | \$0 million | \$0 million |
| Estimated equity value of BrasilAgro | \$295 million | \$470 million | \$667 million |
| Cresud's equity stake in BrasilAgro | 36% | 36% | 36% |
| Implied value of Cresud's BrasilAgro stake | \$105 million | \$168 million | \$239 million |
| <i>as % of recent market value of Cresud's stake in BrasilAgro</i> | 101% | 160% | 227% |
| <i>implied p/tangible book</i> | 1.0x | 1.6x | 2.3x |
| <i>implied EV-to-book value of 9 owned farms (~\$205 million)</i> | 1.4x | 2.2x | 3.2x |
| <i>implied EV-to-fair value of 9 owned farms as estimated by Deloitte²</i> | 0.7x | 1.2x | 1.6x |

Cresud's BrasilAgro stake is worth ~\$100 million at recent market prices
(ignores control premium)

¹ The vast majority of the farms are owned 100% by BrasilAgro; for the others, the land area reflects BrasilAgro's proportion only.

² Based on an assessment by Deloitte with reference date of December 31, 2010, as reported by BrasilAgro (p. 8 of the press release dated February 9, 2012).

BrasilAgro Farms — Valuation by Deloitte*

| Farm | Date Acquired | Book Value (BRL MM) | Deloitte Fair Value (BRL MM) | Deloitte Value / Book Value |
|----------------------------|---------------|---------------------|------------------------------|-----------------------------|
| Cremaq | Oct-06 | BRL 82 | BRL 181 | 2.2x |
| Chaparral | Nov-07 | 61 | 143 | 2.4x |
| Jatoba | Mar-07 | 50 | 139 | 2.8x |
| Araucária | Apr-07 | 71 | 128 | 1.8x |
| Alto Taquari | Aug-07 | 33 | 63 | 1.9x |
| Horizontalina | Apr-10 | 46 | 49 | 1.1x |
| Preferência | Sep-08 | 19 | 25 | 1.3x |
| Nova Buriti | Dec-07 | 22 | 22 | 1.0x |
| Partnership I ¹ | n/m | n/m | n/m | n/m |
| 9 owned farms | | BRL 384 | BRL 751 | 2.0x |

¹ BrasilAgro has a purchase option for the "Partnership I Farm."

Deloitte's valuation approximates our base case valuation for BrasilAgro

* Based on an assessment by Deloitte as of December 31, 2010, as reported by BrasilAgro (p. 8 of the press release dated February 9, 2012).

Putting It All Together

| | Conservative | Base Case | Aggressive |
|---|------------------------|------------------------|------------------------|
| Value of core rural land assets and agricultural operations: | | | |
| Estimated enterprise value of rural land/agriculture operations | \$382 million | \$607 million | \$847 million |
| <i>implied EV-to-book value of 26 owned farms (\$131 million)</i> | 2.8x | 4.2x | 5.6x |
| <i>implied EV-to-total owned acreage (ex concessions)</i> | \$326 | \$518 | \$723 |
| Value of equity stake in IRSA (Buenos Aires: IRSA / NYSE: IRS): | | | |
| Estimated value of Cresud's 63% IRSA stake | \$384 million | \$686 million | \$1,014 million |
| <i>as % of recent market value of Cresud's stake in IRSA</i> | 101% | 180% | 266% |
| <i>implied p/tangible book</i> | 1.1x | 2.0x | 2.9x |
| <i>implied EV/EBITDA, ex investees, for year to June 2011 (~\$200 million)</i> | 4.6x | 6.7x | 8.8x |
| Value of equity stake in BrasilAgro (Sao Paulo: AGRO3 / OTC: BRCPY): | | | |
| Estimated value of Cresud's 36% BrasilAgro stake | \$105 million | \$168 million | \$239 million |
| <i>as % of recent market value of Cresud's stake in BrasilAgro</i> | 101% | 160% | 227% |
| <i>implied p/tangible book</i> | 1.0x | 1.6x | 2.3x |
| <i>implied EV-to-book value of 9 owned farms (~\$205 million)</i> | 1.4x | 2.2x | 3.2x |
| <i>implied EV-to-fair value of 9 owned farms as estimated by Deloitte</i> | 0.7x | 1.2x | 1.6x |
| Other assets/liabilities: | | | |
| Less: Estimated net debt at Cresud (parent-level only; as of 12/31/2011) ¹ | -\$151 million | -\$151 million | -\$151 million |
| Less: Other potential liabilities | \$0 million | \$0 million | \$0 million |
| Estimated fair value of the equity of Cresud² | \$720 million | \$1,310 million | \$1,950 million |
| | \$14.40 per ADS | \$26.10 per ADS | \$38.90 per ADS |
| <i>Implied upside/(downside) to recent ADS price (\$13 per ADS)</i> | 11% | 101% | 199% |

Favorable risk-reward relative to the recent price of ~\$13

¹ Based on figures included in Cresud's presentation and press release related to results for the October-December 2011 quarter.

² Based on ~50 million ADS outstanding (1 American Depositary Share = 10 shares of common stock). Ignores potentially dilutive warrants over ~10% of the shares outstanding (warrants expire in mid-2015 and are out-of-the money below an ADS price of ~\$18).

Debt Detail — as of 12/31/2011*

| Type of Debt | Issue Currency | Principal Face Value (\$MM) ¹ | Interest Rate | Maturity |
|---|----------------|--|----------------|---------------|
| Cresud (parent-level only): | | | | |
| Bank overdraft | ARS | \$42 | Variable | < 14 days |
| Export prefinancing | USD | 44 | Variable | < 365 days |
| Tranche II Series III Notes | ARS | 6 | Badlar+400bps | Apr-12 |
| Tranche II Series IV Notes | USD | 13 | 7.8% | Jul-12 |
| Bolivia farms' debt | USD | 5 | - | Oct-12/Jun-13 |
| Tranche III Series V Notes | ARS | 25 | Badlar+375bps | Dec-12 |
| Tranche III Series VI Notes | USD | 35 | 7.5% | Mar-13 |
| Tranche III Series VII Notes | USD | 2 | 4.0% | Mar-13 |
| Tranche IV Series VIII Notes | USD | 60 | 7.5% | Sep-14 |
| Subtotal - Cresud parent-level only (A) | | \$232 | | |
| IRSA (parent-level only): | | | | |
| Short-term debt | ARS/USD | \$123 | Variable/Fixed | < 365 days |
| Notes due 2017 | USD | 150 | 8.5% | Feb-17 |
| Notes due 2020 | USD | 150 | 11.5% | Jul-20 |
| Other debt | ARS | 44 | Variable/Fixed | long-term |
| Subtotal - IRSA parent-level only (B) | | \$467 | | |
| Alto Palermo (consolidated by IRSA):² | | | | |
| Short-term debt | ARS | \$10 | Variable/Fixed | < 365 days |
| Series II Notes due 2012 | ARS | 5 | 11.0% | Jun-12 |
| Series I Notes due 2017 | USD | 120 | 7.9% | May-17 |
| Other debt | USD | 18 | Variable/Fixed | long-term |
| Subtotal - Alto Palermo (C) | | \$153 | | |
| Consolidated Debt at Cresud = (A) + (B) + (C) | | \$852 | | |
| Consolidated Cash at Cresud | | \$131 | | |
| Consolidated Net Debt at Cresud | | \$722 | | |
| Estimated net debt attributable to: | | | | |
| Cresud (parent-level only) | | \$151 | | |
| IRSA/Alto Palermo | | \$571 | | |

¹ Based on an exchange rate of ARS 4.30 = \$1.

² Excludes Alto Palermo convertible notes due 2014, with an outstanding principal of \$31.7 million.

* Excludes BrasilAgro, which has a small net cash balance.

Thoughts On Intrinsic Value

- Cresud's rural land holdings can be created at a discount to intrinsic value by hedging out IRSA/BrasilAgro at their recent market prices.
 - However, the intrinsic value of both IRSA and BrasilAgro is significantly higher than recent market value, in our view. In addition to Cresud's rural land holdings, IRSA is a key contributor to the potential upside in Cresud's share price.
- May struggle to earn a high return on assets due to capital intensity. However, quality properties (especially at IRSA) allow for leverage.
 - If leverage is employed prudently (likely to continue under Elsztain's control), attractive returns on equity are achievable.
- Attractive inflation hedge and beneficiary of long-term tailwinds.
 - Cresud's prime farmland, shopping centers, office buildings, hotels, and residential developments should preserve value in the face of currency debasement.
 - Cresud has some of the best real estate in Argentina (and Brasil) to benefit from these countries' economic development and the global demand for agricultural products (due to increasing population/prosperity and the scarcity of fertile land).

Which Security to Buy?

- Many ways to create equity exposure to various assets in Cresud.
 - While our valuation argues that there is much upside potential in publicly-listed entities (e.g. IRSA, Alto Palermo, BrasilAgro, Banco Hipotecario), we prefer an investment in Cresud. **Cresud arguably offers the best risk-reward and is also the entity to which insiders are exposed the most.** However, investors may wish to examine the risks/reward in the various publicly-listed entities.
- What about the warrants?
 - In March 2008, Cresud issued 180 million new shares. For each subscribed share each shareholder received, at no additional cost, 1 warrant.
 - Each warrant entitles the holder to purchase 0.351 new shares for US\$1.5954 per share (~\$16 per ADS). The warrants expire on May 22, 2015.
 - The warrants are listed on the Buenos Aires Stock Exchange under the symbol “CREW2” and on Nasdaq under the symbol “CRESW”.
 - As of June 2011, there are 178 million warrants. Chairman Eduardo Elsztain, through Inversiones Financieras del Sur S.A., owns nearly 50% of the warrants.
 - Warrants are an **efficient way to express a belief in 40%+ upside to Cresud’s price in the next three years – their time limit, however, tempers our enthusiasm.**

Quality Assets? Yes, Did You Know That Cresud...

- ... owns farms in the Argentinian “pampas”?
 - The pampas are home to some of the most fertile agricultural land in the world.
- ...has an effective 60% stake in Alto Palermo?
 - Alto Palermo owns **~25% of Argentina’s gross leasable shopping area**, including prime shopping centers in Buenos Aires (e.g. Dot Baires).
- ...owns an effective 19% stake in Banco Hipotecario?
 - Banco Hipotecario **ranks 5th in the Argentine financial system** in terms of equity and 13th in terms of assets. ~70% of funding is from deposits.
- ...owns an effective 6% stake in U.S.-listed hotel REIT Hersha and ~30% effective stakes in two prime New York City office towers:
 - the “Lipstick” in Midtown Manhattan and “183 Madison Avenue.”

Selected Recent Management Comments

- On agriculture operations:
 - “During the last months of 2011 the “La Niña” effect caused droughts in large areas of the Pampa region, as it had happened in the previous year. Fortunately, nearly all our portfolio is located away from the most severely affected area, and has received good rainfall.”
- On agricultural land development:
 - “We will continue to make progress in our transformation plans, as we expect to bring more than 28,500 additional hectares to production for the 2012/13 season.”
- On shopping center operations:
 - “During the past years private consumption has boosted, and our shopping centers have experienced significant growth. Occupancy has remained close to 100% and our tenants’ sales have reached growth rates higher than 30%, above annual inflation and activity levels. Prospects for the next quarter and the closing of fiscal year 2012 are positive.”

More Management Comments

- On office operations:
 - “During the second quarter of 2012 the market has remained solid. Vacancy in the premium office market...decreased by 20% compared to 2011 values. Rental prices have been more stable, as they maintained the levels of the previous quarter and even increased one point from 2011 values.”
- On international development:
 - “We will continue developing our strategy of selective investments outside of Argentina, involving top level assets...opportunistic investments made at attractive prices or with capital structures with potential for improvement.”
- On IRSA’s prospects:
 - “Strong cash generation and low indebtedness, along with experience in taking advantage of opportunities and access to capital markets allow us to envisage a promising future, aimed at consolidating the best real estate portfolio in Argentina.”
- On Banco Hipotecario:
 - “Seek to keep our investment in Banco Hipotecario, as we believe that Argentina has a low level of mortgages outstanding measured in terms of GDP and as a result, our investment in Banco Hipotecario is interesting in the long term.”

Risk

Key Risks (and Mitigations)

- **Governance.**
 - Cresud is controlled by chairman Eduardo Elsztain. Cresud pays a “management fee” of 10% of its net income to Consultores, which is 85%-owned by Eduardo Elsztain and 15%-owned by vice chairman Saul Zang.
 - **However**, Eduardo Elsztain and his brother Alejandro have proven to be good capital allocators over time. Under their leadership, since 1994, intrinsic value per share has grown. As chairman Elsztain owns 37% of the shares, outside investors have an “**owner-operator**” **at the helm who is incentivized to continue to grow intrinsic value.** Cresud has a history of paying dividends (2% yield based on the 2011 dividend) and engaging in shrewd share issues/buybacks (~35% of the recent share total has been issued at ~\$16 per ADS in March 2008, with ~5% bought back at much lower prices in 2009). There has been no material equity dilution via share and option awards to insiders.
- **Argentina-related risks.**
 - Inflation, government intervention, potential expropriation, among others.
 - **However, Cresud owns real assets which have proven to be a good store of value over time.** While the government does levy large export taxes on most agricultural commodities and has a reputation for political instability, land titles are relatively clean and foreign ownership of freehold land is welcomed, especially relative to some other emerging markets. And, even though expropriation cannot be ruled out, it is highly unlikely (even in the 2002 crisis, Argentina never moved toward expropriation; although it did limit dividends to non-residents).

Key Risks (and Mitigations)

— Continued

- Exposure to commercial and residential real estate in Buenos Aires (and in Argentina generally).
 - ~90% of IRSA's assets are exposed either directly or indirectly (through Banco Hipotecario) to the real estate market and the consumer in Argentina, primarily in Buenos Aires. This includes mainly shopping centers and offices, but also some residential exposure and hotels.
 - **However, IRSA owns some of the best properties in Buenos Aires, has a strong balance sheet with tangible book representing 35%+ of total assets, and benefits from favorable long-term prospects** for economic development in Argentina and South America. Argentina has a low level of mortgages outstanding measured in terms of GDP. Banco Hipotecario restructured its financial debt in 2004 and has had good results since then. Its equity-to-asset ratio is 27% and it recorded a return on equity of 8% in 2011.
- Exposure to global agricultural commodities prices.
 - The performance of Cresud's core agricultural business as well as the value of its stake in BrasilAgro are dependent largely on factors outside of management's control.
 - **However, commodity prices are not necessarily value drivers for farmland price appreciation in the long-term. The main driver pushing farmland prices upward is higher demand for food and not enough productivity from existing farms.** Given that new production areas have higher \$/ton producing costs, this leads to value appreciation at existing farms.

Risk —

A Thought for the Cautious

- Theoretically, one could buy Cresud and hedge out the risk related to the value of IRSA/BrasilAgro at their market prices:
 - This would create Cresud, excluding IRSA/BrasilAgro, at about ~\$320 million, or 2.5x book value of Cresud's 26 owned farms (representing 1.2 million acres of land).
 - As Cresud has been selling farms at 3.0x book value in 2010/11 and has sold 25 farms from 1998 through 2011 at ~2.5x book value, the downside protection to this investment strategy appears strong.
 - Based on our base case valuation, upside of nearly 50% of Cresud's recent share price would be preserved.

Still attractive risk-reward in a cautious scenario where IRSA/BrasilAgro exposure is hedged.

Risk — Embracing IRSA/BrasilAgro

- Our preferred approach is a simple one of investing in Cresud and not trying to create specific exposures through hedging or buying other securities (e.g. IRSA shares or Cresud warrants).
- Cresud arguably offers the best risk-reward and is also the entity to which insiders are exposed the most.
- Owning Cresud gives investors optionality value from IRSA and BrasilAgro, while getting better downside protection than each of these two companies could provide of its own
 - e.g. due to corporate structure, including balance sheet leverage/liquidity and operational diversification.

Catalysts

Key Catalysts

(other than the discount to intrinsic value)

- Continued sales of farms and other assets at large premiums to book value.
- Potential for increasing capital return to shareholders.
 - After paying no dividends in 2010, Cresud paid a dividend in 2011, which implies a ~2.0% recent yield; share repurchases would create value at recent prices.
- Continued conversion of woodlands into productive uses and value creation through land development.
 - ~70,000 additional acres to be added to production for the 2012/13 season.
- Potential governance improvements and simplification of the corporate structure.
- Move to IFRS reporting for the fiscal year ended June 30, 2012.