TGLT

FINANCIAL STATEMENTS

TGLT S.A.

AS OF DECEMBER 31, 2011 AND 2010

Grant Thornton

TGLT

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FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2010 AND 2011

Presented on a comparative basis

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TGLT

ANNUAL REPORT AND OVERVIEW

TGLT S.A.

FOR THE YEAR ENDED AS OF DECEMBER 31, 2011

TGLT

TGLT S.A.

ANNUAL REPORT AND OVERVIEW

YEAR ENDED AS OF DECEMBER 31, 2011

To the Shareholders of:
TGLT S.A.
Scalabrini Ortiz 3333, 1st floor
C1425DCB Autonomous City of Buenos Aires

In accordance with current laws and regulations, we are pleased to submit, to the consideration of the Shareholders' Meeting, this Annual Report and Overview, and the Financial Statements for the seventh business year, from January 1 to December 31, 2011.

I. LETTER TO THE SHAREHOLDERS

We began 2011 with a Company (the "Company" or "TGLT") in very good capital stead after the IPO staged in 2010, with a portfolio of large-scale projects and visibility that had already granted us a firm foothold in the target markets, with a top-flight professional team that would carry out the groundwork to manage growth in the organization.

Throughout the year, we sought to reinforce each of the aspects mentioned above: capital, portfolio and human resources. In relation to capitalization, with the GDRs (Global Depositary Receipts) in which foreign investors placed their stakes upgraded to ADRs (American Depositary Receipts), and with the issuance of BDRs (Brazilian Depositary Receipts) traded on Brazil's BM&FBovespa, our current and future investors will be able to access TGLT shares in their market of preference. With an active investor relations program, participating in sector conferences, visiting investors and holding quarterly conference calls, among other activities, we are promoting fluent communications to serve as a catalyst for the value we generate through our operations, to be reflected in our share price. I fact the share price went up 18% during the year, with an aggregate 24% increase since the IPO.

With regard to our projects, in 2011 we launched US$ 217.5 million in Potential Sales Value (PSV), outdoing our US$ 210 million guidance for the year, and again doubled the volume of our operations compared to 2010, with contracted sales for US$ 429 million, almost tripling the level posted during the previous year. We achieved this by putting up for sale buildings in projects that were already in our portfolio at the start of the year, as well as projects that resulted from new land purchases in 2011. We launched the Astor brand, one step under Forum, our flagship brand for premium projects addressed to high-income segments, with the Astor Palermo, Astor Núñez and Astor Caballito towers, all in the Autonomous City of Buenos Aires. The launch of the first Venice buildings, in Tigre, province of Buenos Aires, is a major step toward the implementation of this "waterway city" that comprises a huge variety of products that will be put up for sale over the coming years. With the purchase of the former FACA property and the engagement of architects Foster & Partners, we have established a beachhead to continue leading in the Puerto Norte area in the city of Rosario. Finally, in Montevideo, Forum Puerto del Buceo has already climbed to the top segment in that market. With these projects and new initiatives we will be incorporating throughout 2012, we are preparing to launch projects with a PSV of US$ 325 to 375 million, as announced at the end of the year.

Finally, our team has grown, reinforcing the areas that focus on development, design, construction, sales and marketing, which play a key role in the successful production and sale of our projects, without thereby neglecting all the areas that provide support to operations from the standpoint of finance, planning, human resources and technology. As far as this last element in concerned, we are taking a quantum leap in our operational infrastructure by incorporating a top-of-the-line ERP management system that will allow for more efficient management of our operations, also making it possible to better control our costs.

Looking forward to 2012, we feel TGLT S.A. is now in an enviable position in all the aspects mentioned above, to continue growing in the residential real estate market in Argentina and Uruguay. So as to continue accelerating our expansion plan, we are already working on raising fresh funds in the capital markets through debt and equity issues. Our pipeline of launches and land purchases is brimming with opportunities to strengthen our franchise in the markets where we are already present, and thereby attain or surpass our objectives for the year. In addition to our constant efforts to launch projects for high-income segments, we will offer middle class housing through an innovative cooperative financing plan, which should assist in closing down the enormous housing deficit our country has been facing.

At TGLT S.A. we are intent on attracting the best partners, vendors, advisors and work teams. We also hope to continue enlisting the support of our shareholders who have been with us since our inception

Federico N. Weil

Chairman

II. CORPORATE PROFILE

TGLT S.A. ("the Company" or "TGLT") is a residential real estate developer active in the leading urban centers of Argentina and Uruguay. RTGLT was established in 2005 by Federico Weil and in 2007 it associated with PDG Realty S.A. Empreendimentos e Participações ("PDG"), the biggest real estate developer in Latin America and currently the Company's largest shareholder. Initially focused on projects for high-income segments, TGLT has gradually been expanding its product offering to middle-income sectors.

TGLT is the leading developer in the Argentine real estate market and intends to be on top of the market in Uruguay as well. It is presently working on 8 projects in high-demand urban areas in Argentina and Uruguay, at the product design, permitting, pre-construction and construction stages, totaling app. 530,000 sellable m2 and US$ 1.3 billion in potential sales value ("PSV").

TGLT controls and participates in all aspects of the development process, from land purchases to construction management, from product design to marketing and sales, ensuring at all times strict working capital controls. At the same time, it develops customized products for each segment and location, standardizes processes for the production of new housing and thus attains a high growth rate.

The Company is constantly searching for and identifying new lands in the markets where it either operates or plans to operate, and which fit into its product strategy. TGLT aims for quick land bank turnaround rates and to launch sales efforts for a project or any individual project stage within three to six months after the land is purchased. TGLT does not intend to accumulate a land bank for long-term use.

Our chief values are:

- *Quality and service.* Our commitment toward our clients is renewed on the basis of a constant effort to improve quality of life by emphasizing not only the design, innovation, and durability of all of our products, but also our pre- and aftersales orientation, attention and services associated with the acquisition of a property.
- *Innovation.* Our commitment with investors is materialized through the constant search for best practices and innovation in the way we approach our business: proactivity enables maximizing investors' returns, while a profound knowledge of the market and the business lead us to minimize risks.
- *Sustainability.* Our social commitment is manifested through sustainable development, which reduces environmental impact and guarantees a healthy integration of TGLT's projects with the communities in which they are built, thus contributing to their dynamics.

TGLT's growth profile is leveraged by its strategic alliance with PDG, one of Brazil's largest real estate developers and holder of a 27% equity interest in the Company. For more information on PDG, please visit its webpage at www.pdg.com.br.

The TGLT business model

TGLT focuses on developing residential real estate projects in Argentina and Uruguay.

The TGLT business model is based on its ability to identify the best land and build superior-quality residential projects, relying on an excellent professional team, standardized processes and support from sophisticated management tools that allow the Company to launch initiatives on a rolling basis and operate a large number of projects simultaneously.

TGLT either wholly owns or is the majority partner in its projects, with its undivided commitment to each initiative, in line with the shareholders' objectives.

The TGLT team controls and participates in all aspects of the development process, from land searches and purchases, product design, marketing, sales to construction management, purchase of supplies, aftersales services and financial planning, with expert professional advise at each development stage. Although decisions in and control of those functions are within the TGLT organization, some of these tasks, such as architecture and construction, are outsourced to specialized companies, under the exhaustive supervision of TGLT. This business model allows the Company to ensure excellence in production for each location and segment, ensuring efficient working capital management at all times and allowing it to select the best possible partner for each aspect of development, with organizational size adaptable to changes in business volume.

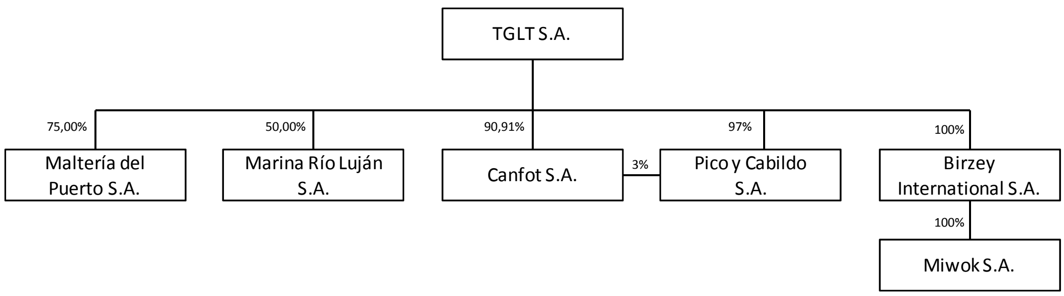
The TGLT business model envisions quick land turnaround. Once the Company buys the land, it tries to launch the project or individual stages of the same within three to six months. TGLT thus tries to prevent the capital immobilization entailed in accumulating a land bank for long-term use.

As reference, following is an outline of TGLT's range of tasks and strategy throughout the different stages of the development of a project:

Etapas	Visión	Adquisición de Tierra	Diseño de Producto	Marketing y Ventas	Construcción	Post Construcción
Funciones	Análisis de Mercado. Análisis de zonificación. Estrategia de banco de tierra.	Búsqueda de tierra. Análisis de Factibilidad. Negociación y estructuración.	Estudio de mercado y comparables. Anteproyecto. Proyecto ejecutivo.	Estrategia de marketing. Estrategia de ventas. Operación de ventas.	Preconstrucción. Estrategia de contratación. Licitaciones de construcción.	Control de Calidad. Adaptaciones de producto. Servicios al cliente.
Estrategia	Manejo del riesgo. Grandes proyectos. Proyectos de gran escala. Ubicaciones únicas.	Obtener la mejor tierra en cada submercado. Mantener una disciplina de precio. Enfocarse en grandes ciudades. Consolidar un banco de tierra para 3 años de desarrollo futuro, minimizando la inmobilización de capital mediante canjes.	Diseñar los mejores productos en cada categoría. Ingeniería de valor desde el comienzo del proceso de diseño.	Maximizar velocidad de ventas y facturación total. Desarrollo de un portfolio de marcas reconocidas y valoradas. Plataforma de ventas propia. Evitar conflicto de canales. Evitar retroceso de precios.	Construir con la mejor calidad para cada categoría de producto. Disciplina de control de costos. Desarrollo de relaciones de largo plazo con proveedores.	Tener una base de clientes satisfecha y leal. Atender a todas las necesidades del cliente vinculadas a la compra del inmueble.

Corporate structure

The structure of the TGLT business group is shown in the following chart:



The Company conducts its real estate development projects through TGLT S.A. or its subsidiary companies. Maltería del Puerto is the owner of the land where the Forum Puerto Norte project is being developed- Marina Río Luján S.A. is the owner of the land where the Venice project is being developed. Canfot S.A. is the owner of the land where the Forum Alcorta project is being developed. Pico y Cabildo S.A. owns the land where the "Astor Núñez" project is being developed. Birzey International S.A. is a holding company in Uruguay that will hold our projects in that country. Miwok S.A. is a business corporation with registered offices in Montevideo, Republic of Uruguay, which will develop the "Forum Puerto del Buceo" project in Montevideo, Uruguay. The rest of the projects is being worked on directly by TGLT S.A.

Shareholders

The Company's issued, subscribed and paid-up capital to the date of this Annual Report amounts to $ 70,349,485. As of that date, the corporate capital registered with the Corporate Records Office is $ 22,350,000 and is distributed among the shareholders as shown on the table below:

	Dec 31, 2011		Dec 31, 2010	
Shareholders	**Shares**	**Interest**	**Shares**	**Interest**
PDG Realty S.A. Empreendimentos e Participações	19,121,667	27 %	19,121,667	27 %
Federico Nicolás Weil	13,549,889	19 %	15,645,000	22 %
Holders of deposit certificates representing common shares	17,548,905	25 %	16,005,710	23 %
Other holders of common shares	20,129,024	29 %	19,577,108	28 %
	70,349,485	100 %	70,349,485	100 %

III. ECONOMIC CONTEXT

Note: The comments in this section are based on the opinions of an independent professional team of economic analysts.

The international context

In 2011, the global economy continued to grow (3.3%) although slower than in 2010 (3.9%) because of underwhelming performance by the developed economies. Whereas the real estate sector and heavy public deficits continued to hinder economic activity in the US, growing fears of faltering fiscal accounts in several economies in the Euro Zone affected its development more severely.

Global economic growth in 2011 advanced at two different paces. On the one hand, emerging economies again performed outstandingly (6.0%), maintaining high expansion rates and thus fueling the world economy, accounting for three quarters of the total. In turn, the developed economies again grew (2.4%) but decelerating slightly more than during the previous year (2.8%).

With regard to the external variables that are most relevant for Argentina, the price of soybean rose 20% during 2011, recovering from the trough reached in 2010. In the meantime, the Brazilian economy –Argentina's main trade partner- wrapped up the year with growth of around 3.0%, decelerating sharply compared to the previous year, when it grew 7.5% during its rebound out of the 2009 crisis. The Real also depreciated by 8.5% during the period. Finally, China grew 9.1% in 2011 after expanding by 10.4% in 2010, slightly slowing its pace.

The Argentine economy

The Argentine economy grew somewhat slower in 2011 than in 2010 but still remaining at admittedly high levels, amid significantly expansive political, monetary and wage policies. Most private estimates projected the economy would grow in 2011 by around 6.5%, driven mostly by consumption and to a lesser extent by investment.

The fiscal and monetary policies advanced by the Administration, again expansive in a year of presidential elections, fueled public and private spending (6.5% and 6.8%, respectively). Inflation again spurred middle-income sectors to seek shelter by purchasing durable goods instead of saving at interest rates that remained well below inflation, in particular during the first nine months of the year. Coupled with the growth in bank credit facilities and credit card loans, all these factors combined to keep up the consumption boom, with record figures again posted in auto sales, among other sectors. Elsewhere, annual growth in investment decelerated (13%) compared to 2010 (17%), although it did remain high compared to GDP (6.5%) and thus helped it to reach record figures as a percentage of GDP (24%).

Fiscal accounts ended 2011 in the red, with a primary surplus of about 0.3% of GDP and a fiscal deficit around 1.6% of GDP. Although the national Government again received funds from the Central Bank and the National Social Security Administration (ANSES) to obtain that primary surplus, fiscal accounts did evidence deterioration compared to the primary surplus for 2010 (1.7% of GDP). Even so, fiscal solvency is still favored by a "net" public debt (excluding public debt held by the public sector itself) that remains quite low (under 22% of GDP) and evidencing a continued downward trend.

In the external front, the trade surplus was US$ 10.35 billion, down from US$ 12 billion in 2010. The trade balance was buttressed by a record crop that exceeded 100 million tons for the first time in history, persistently high prices for agricultural commodities and vigorous growth in industrial exports (24%), especially motor vehicles to Brazil. Nevertheless, the surplus fell 13% compared to 2010, with imports again outpacing exports (up 30% vs. 23%).

Against this backdrop, monetary policy remained expansive as expected on the basis of the monetary targets laid down by the Central Bank. In fact, the monetary base expanded 35.2% per annum (5 percentage points above 2010). As far as broader monetary aggregates are concerned, which serve as the basis for setting monetary targets, M2 grew 29.7% (almost two percentage points more than in 2011) and private M2 did so by 30.9% (2 points above last year).

In this context, the nominal exchange rate did not go in hand with the rest of the prices in the economy and varied by merely 7.8%. Thus, the bilateral exchange rate against the dollar kept appreciating and is already at levels similar to convertibility. The stable nominal exchange rate and ensuing loss of competitiveness by the currency fueled significant devaluation expectations, which, along with the uncertainty created by elections (concerning a post-election devaluation, not the outcome of the ballots), triggered a sharp dollarization of portfolios, reaching almost US$ 23 billion during 2011. The substantial dollarization of portfolios impacted interest rates in pesos, which, after a stable first half of the year, skyrocketed during the second half. The Badlar Bancos Privados rate, paid on deposits of more than a million pesos in private banks, peaked at 23%, after averaging 11% during the first half.

In November 2011, the Administration decided to impose restrictions to dollar purchases by the private sector. From then on, all dollar purchases must first be authorized by the AFIP, which in practical terms placed a chokehold on the purchase of foreign currency. This measure drastically brought down dollarization, and together with a strong injection of pesos by the Central bank in December, allowed peso rates to close the year at about 18.8%.

Despite accelerating dollarization of portfolios, 2011 was a good year for the financial system. Credit to the private sector expanded by 49.5% in YoY terms, the highest nominal increase since the end of convertibility. All credit lines, except for mortgage loans, increased by over 40% per annum. In turn, private sector deposits in local currency grew by 28% YoY.

The new rules governing the currency exchange market fostered uncertainty and triggered a run on dollar deposits, which fell by 19%. In line with the decline in this source of foreign currency funding, banks halted credit facilities in dollars, which decelerated sharply toward the end of the year: 31.3% annual growth in December vs. 42.1% in November.

In the political plane, 2011 was overshadowed by the presidential election in which incumbent Cristina Fernández de Kirchner was reelected with 54% of the votes, the highest percentage obtained by a frontrunner candidate since the return to democracy in 1983. Her victory was also almost 9 percentage points longer than in the 2007 election.

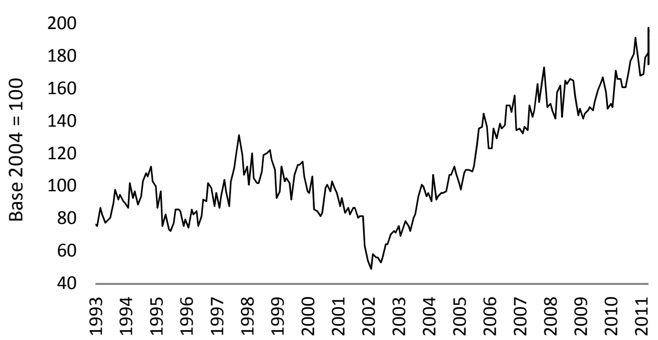
The president’s victory was largely expected and allowed her party to recover its majority in both houses of Congress.

The construction industry

Construction activity reached an all-time high in 2011, after expanding annually by 8%, outpacing the industry and GDP. The sector thus quickened its expansion rate vis-à-vis 2010 (when it grew 5%) and also broke its previous record attained in mid-2008, before recoiling from the impact of recession from mid-2008 to 2009

In 2011, growth in this sector was underpinned by higher work volumes started during the period. This process was assisted by several factors. First of all, the surface area authorized for private works regained ground and grew 6% for the year. Second, permits that had been put off during the recession of mid-2008-09 were reactivated. The electoral calendar also had a bearing since it spurred a larger volume of public infrastructure and road works. In fact, said works were the ones that expanded the most in 2011, between three and four percentage points more than the sector average. In turn, residential and non-residential construction grew two to three percentage points below the average. In turn, both closed the year with YoY growth around 3% and below the average, considering that the sector closed 2011 growing at around 5%.

Summary Indicator of Construction Activity



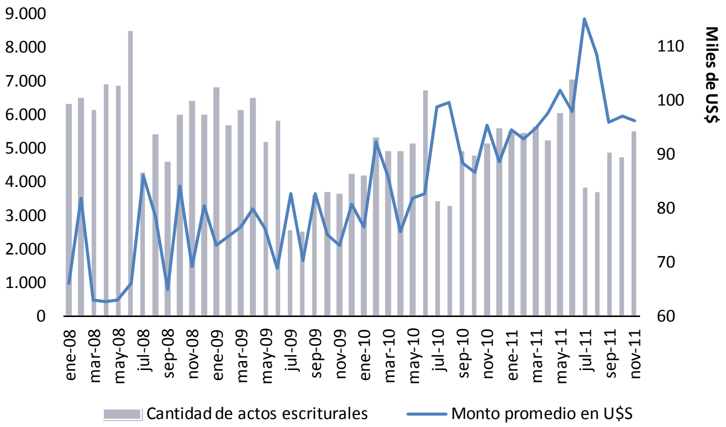
Source: INDEC, most recent data November 2011.

Construction growth during 2011 impacted on the dispatch of key construction materials, employment in the sector and the number of construction firms, among other effects. Thus, dispatches of Portland cement, which reached record highs due to increased activity at the local level and in neighboring countries, as well as a certain substitution with asphalt, along with round iron and brick dispatches, placed at the top of the annual growth list in 2011, in firm 2-digit territory, although in the past few months they did tend to decelerate somewhat, in line with the overall evolution of the sector. On the other end we have dispatches of paint, asphalt and ceramic flooring and liners, which even receded on YoY terms.

Elsewhere, formal jobs used in construction grew by slightly over 10% per annum, and in the third quarter of this year they posted the largest quarterly expansion since the series was first prepared in 1995. Thus, toward the end of 2011, construction reached a record 428,700 registered jobs, the highest level in the past 40 months.

Commercial activity grew again in 2011, albeit trailing behind last year's figures and still unable to outdo the peaks attained before the 2008-09 recession. In fact, property purchase titling in the Autonomous City of Buenos Aires grew 5% during the year, although substantially lower than in 2010 (20%), following the precipitous fall sustained in 2009 (-28%).

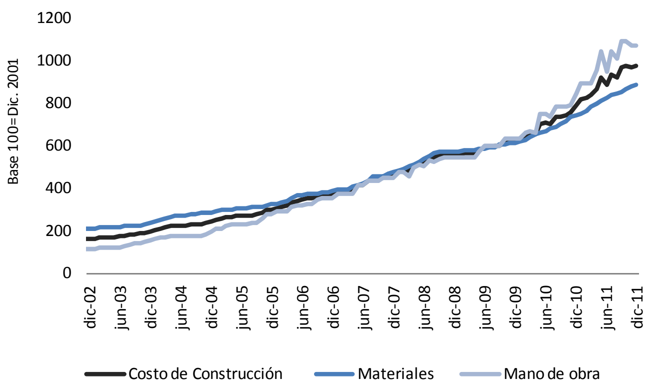
Number of notarial acts and average amount per transaction



Source: Notarial Association of the City of Buenos Aires

Finally, construction costs (CAC) closed 2011 with a 23.2% YoY rise in line with increasing consumer prices. This jump was still below the hike seen a year before (26.7%), although just as had been the case in 2010, it was accounted for more by rising labor costs (26.7%) than by the increase in the cost of materials (19.7%).

Construction Cost Index if the Argentine Construction Chamber



Source: Argentine Construction Chamber

Outlook for 2012

The outlook for the world economy in 2012 is laden with uncertainty due to the difficulties inherent in predicting a political way out for the debt crisis in Europe and its potential impact on the rest of the world. Also, the countries in southern Europe are also compounding currency competitiveness problems and heavy external and fiscal deficits. The international context will thus be less auspicious for potential growth in the Argentine economy. Although the world economy is expected to grow (3.6%) above 2011 figures (3.3%), the prices for agricultural commodities will on average be lower than those prevalent in 2011. The US has given encouraging signs in recent months and could be slowly coming out of its stagnation.

In the meantime, the agricultural crop for 2012 is threatened by the lack of rain and will surely fall below last year's figures. Consequently, in 2012 agricultural exports will most likely drop by over 15% and be roughly US$ 6 billion lower than in 2011.

Soybean prices are expected to recede by 10% to 15% in line with a global slowdown. Brazil in turn should keep up its growth pace assisted by the momentum given by investments for the sporting events scheduled for the coming years, with GDP growth rates between 3.3% and 3.4%. The Chinese economy will continue its smooth landing and grow in 2012 by around 8.1%.

In this context, the Argentine economy will witness a substantial deceleration in its growth rate compared to 2010 and 2011 since it will expand by 2.5% p.a. in 2012, considering a "carryover" effect of about 2.0 percentage points from 4Q11, assisted by the consumption boom. The construction sector will likewise grow by about 4.5%, outperforming the industry and GDP, as was the case in 2011. Industry will decelerate even more, growing in line with GDP at app. 2.5%, still driven more strongly by the durable goods sector. Construction will probably be fueled by business lines more connected to public works, such as roads and infrastructure, and by private works in medium-high and premium segments. In turn, investment in 2012 will expand at a very moderate pace (3.0%), just above GDP, slowing down significantly compared to growth in 2011 (13.5%).

Inflation will probably stay at around 2011 levels, with YoY growth between 20% and 25%. Although we expect inflation to decelerate in 2012 because of more modest economic growth and salary agreements that will result in nominal increases of lesser magnitude than in 2011, the adjustment introduced in early 2012 to utility rates associated with the partial elimination of subsidies along with the greater nominal devaluation of the peso will act as a counterweight and maintain inflation at around 2011 levels.

In this sense, the salary agreements negotiated during the first half of the year will play a pivotal role for the course of inflation over the rest of the year, as well as the future growth path taken by monetary aggregates and public spending by the National Government. In any case, within this context we expect more significant devaluation than in recent years and the official nominal exchange rate should be at around 5.0 pesos per dollar toward the end of 2012, for a very modest real appreciation. In turn, domestic interest rates, which –as expected- spiked in late 2011, should remain high, above 15% but also very likely under 20%.

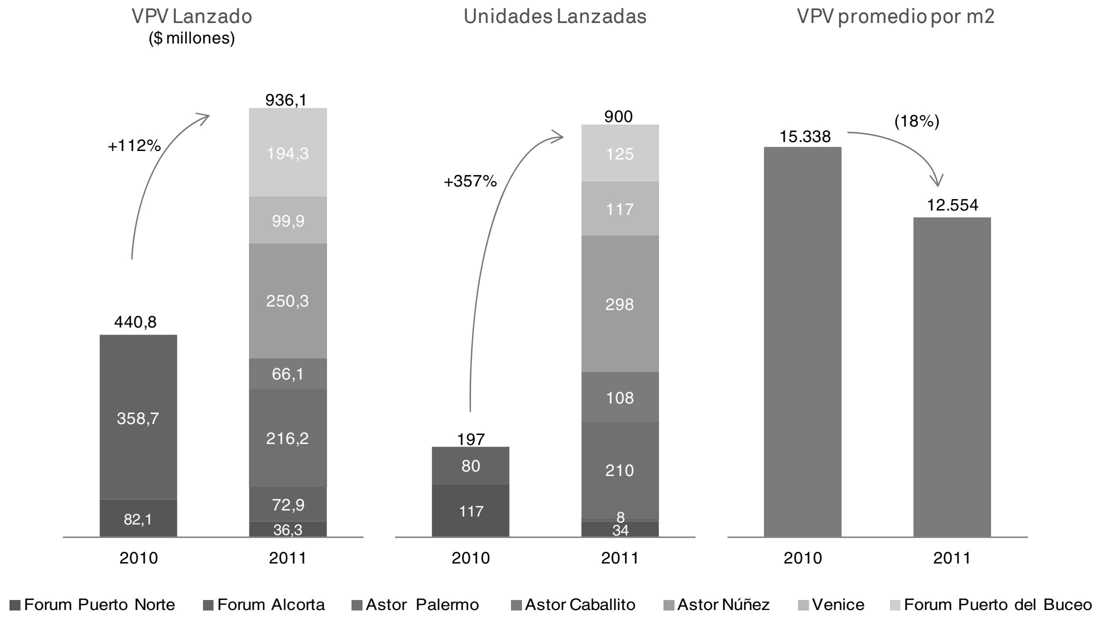
To conclude, we do not envisage material changes to fiscal account results, just slight improvements due to the partial adjustment in subsidies, and they should run a fiscal deficit of around one GDP point, thereby reversing the deterioration experienced during 2011. Both spending and income will surely slow their growth down, the former because of the partial elimination of subsidies and lower salary and consumption increases, and the latter because of a slower economy. In this context, net financial needs should be around US$ 10,000 for 2012 as a whole, slightly under 2011, presumably not funded directly by drawing on the reserves of the Central Bank of the Argentine Republic (BCRA), since the so-called "excess reserves" have been depleted, but rather through a battery of instruments, such as temporary advances by the BCRA for payments in foreign currency, issues to public entities, discount bonds in dollars acquired by ANSES and thereafter placed abroad, multilateral entities, etc. Even so, we cannot rule out a "symbolic" placement by the Government in the international debt markets. Moreover, the trade surplus should remain relatively stable, barely dipping from US$10.35 billion in 2011 to about US$ 8.5 billion in 2012.

In sum, during 2012 we should expect economic growth to cool down, an inflation level similar to 2011 and both fiscal and external accounts relatively stable around 2011 figures, i.e. approaching equilibrium. Although handling the monetary and foreign exchange stability will demand greater care considering that the freedom experienced in years past will be reduced, continued financial stability will not be threatened during 2012 in spite of projected higher domestic interest rates and a higher nominal devaluation rate than in recent years.

IV. DESCRIPTION OF OPERATIONS

Launches

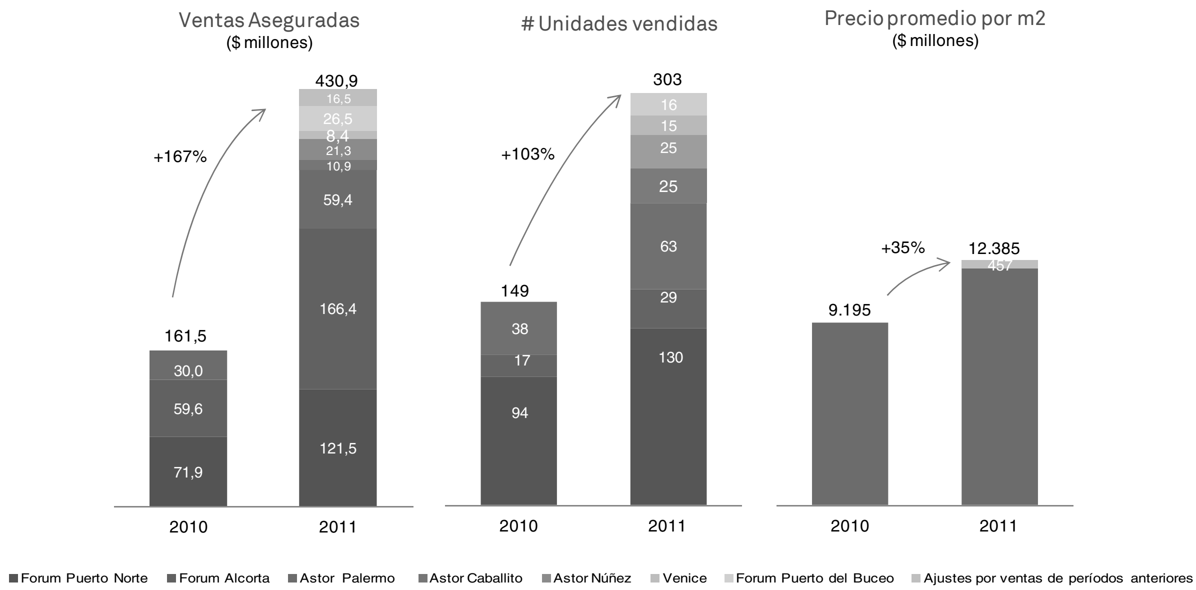
In 2011, launches totaled $936.1 million in Potential Sales Value ("PSV"), doubling PSV launches during the previous year. Launches during the year included the Cubo B office building of "Forum Puerto Norte" ($27.8M), the residential building of "Forum Alcorta" ($72.9M), the complete "Astor Palermo" tower ($216.2M), Tower 3 of "Astor Caballito" ($66.1M), the commercial establishments and the residential tower of "Astor Núñez" ($250.3M), the first stage of "Venice" ($199.8M for 100%, $99.9M corresponding to the 50% that TGLT consolidates ratably), and the first stage of "Forum Puerto del Buceo" ($194.3M). The average PSV per m2 went down 18% compared to 2010 as a result of the launch of Astor line projects in 2011, addressed at customers in a somewhat lower income segment than Forum, which constituted the majority of launches in 2010.



Closed Sales

Closed sales during the year totaled $430.9 million, up 167% compared to 2010. A total 303 units were sold, up 103% from last year. Closed sales for 2011 included units in the “Forum Puerto Norte”, “Forum Alcorta”, “Astor Palermo”,” Astor Núñez”, “Astor Caballito”,” Venice” and “Forum Puerto del Buceo” projects. Annual sales progressed in line with our internal objectives for the projects.

It should be noted that the average price per m2 sold went up 34%, exceeding the increase in construction costs and allowing us to face those hikes.



Following is a description of the activities conducted in 2011 in relation to the real estate projects developed by the Company.

Forum Puerto Norte

In 2011, the project's Cubo B building and boathouses were launched for sale. The Cubo B building, which had originally been planned for residential units by the name of Building 6, was retrofitted to an office building, after the success experienced with the Cubo A building. These efforts culminated with the total launch of the project.

As of December 31, 2011, the construction of all the buildings in the project had been awarded.

Toward the end of 2011 Forum Puerto Norte began delivering the first units and efforts are now being made to welcome owners with major progress in the common areas. The parking lot, Multiple Use Room (SUM – Spanish acronym) and the central garden are at the completion stage, with signage already up, as well as lighting fixtures and furnishings. In the meantime, the handing sports center is now entirely operational, with gym equipment, the swimming pool open and ample space to enjoy the view to the river next to the spa and solarium. The remaining apartments are expected to be delivered in 2012 and early 2013.

As of December 31 ,2011, 388 units had been sold with a total 43,397 m2 (82% of the total sellable area of the project) tagged at $ 308 million or 74% of the potential sales value.

Forum Puerto Norte is a project executed through subsidiary Maltería del Puerto S.A.

Forum Alcorta

After the showroom launch in November 2010, apartment sales in Towers One and Two continued. In September 2011, the CASAS building was commercially launched with PSV of US$ 17.35 million, thereby completing the launch of the entire project. The exclusive homes in Forum Alcorta are unique residences that combine privacy, design and the spatial feeling of a house with the security, comfort and services inherent to an apartment.

With regard to construction progress, the two towers underway and a steady intense pace of work, the project is advancing as scheduled. In Tower One, the slab atop the 14th floor is being concreted, whereas in Tower Two concreting work has already advanced to the first floor. Simultaneously, work has started in sanitation, gas, sprinklers and electricity. Elsewhere, in December 2011 demolition work began at the preexisting building in its first stage. The second stage, the space now taken by the showroom, will begin in June 2012.

Tower One is scheduled for delivery in the first half of 2013, and Tower Two and the Townhouses for the second half of 2013.

As of December 31, 2011, 80 units had been sold for a total 23,319 m2 (57% of the total sellable area of the project) priced at $ 326 million or 43% of the potential sales value.

Forum Alcorta is a project executed through subsidiary Canfot S.A.

Astor Palermo

Immediately after the land was purchased in October 2010, design and preconstruction work began in order to launch the sales phase together with the opening of the showroom. In June 2011, Astor Palermo was launched with a PSV of US$ 53 million. Sales began with a commercial pre-sales stage, successfully completed in the showroom of Forum Alcorta. On April 8, 2011, a lease was signed on a commercial establishment located on Beruti 3465, City of Buenos Aires, where the sales office for Astor Palermo, where the sale of the project continues.

On June 9, 2011, the 9th Court for Adversary Administrative and Tax Matters of the Autonomous City of Buenos Aires, 18th Clerk's Office, granted pretrial injunctive relief in the proceedings captioned *"Asociación Amigos Alto Palermo c/ Gobierno de la Ciudad de Buenos Aires s/ Amparo"*, docket No. 41,544. The injunction granted suspends construction activities at the worksite of the property situate on Beruti No. 3351/59 between Bulnes and Coronel Díaz Avenue, Real Estate Inventory Classification: Circumscription: 19; Section: 15; Block: 15; Plot 11-S in this City of Buenos Aires. Pursuant to paragraph II of that resolution, the suspension will remain in force until the Government of the City of Buenos Aires adds administrative dossiers No. 28,831/2009 and 10,788/2009 to the case file, whereby it has granted authorization for the construction of an apartment building with residential and commercial parking spaces, to be built by the Company on that property.

On July 4, 2011, the Government of the Autonomous City of Buenos Aires complied with this petition. On July 11, 2011, the acting judge accepted the pretrial relief requested until all the evidence offered by the parties is produced, as well as any other e evidence as is required by the court in due procedural course.

On July 15, 2011, the Company appealed from the resolution that granted this relief, and the appeal was granted that same day.

On October 4, 2011, the claimant filed a brief (new facts) related to a petition for reports on the conditions in which the Project and its performance were authorized. The new fact was replied to, both on appeal and in the main case file.

As of the date of these financial statements, we were waiting for a resolution on appeal regarding the injunction, which should also include a resolution on the new facts claimed.

Excavation and construction work will commence once the injunction described above is resolved upon, and simultaneously sales activities will be re-launched.

The development calls for a single 26-story building, with 210 units averaging 69 m2 (2 and 3 rooms), four basements housing the various different amenities in the building, in addition to 171 commercial parking spaces, 195 residential parking spaces and storerooms for the apartments.

The potential sales value estimated for the project is US$ 52.5 million, including units and parking spaces that will be delivered toward the payment due to the previous landowner.

As of December 31, 2011, 101 units had been sold for a total 6,882 m2 (48% of the total sellable area of the project) priced at $ 91.6 million or 44% of the potential sales value.

Astor Núñez

As described in Section V, on March 30, 2011, the Company entered into a purchase agreement for the entire equity package at "Pico and Cabildo S.A.", the owner of two (2) plots of land located in the neighborhood of Núñez, Autonomous City of Buenos Aires, where the Astor Núñez project is being developed.

During the second quarter of 2011, the commercial building on Cabildo Avenue was launched and sold with closed sales of US$ 3.6 million. In September 2011, the Astor Núñez residential apartment building was launched for sale in September 2011 with a PSV of app. US$ 51 million. At the pre-sales stage, Astor Núñez is making progress with the submittal of all municipal paperwork, expecting to receive the necessary approvals by late March or early April, and thus be able to start the works. The architecture project was prepared by the firm of Mario Roberto Álvarez y Asociados.

As of December 31, 2011, 25 units had been sold for a total 2,143 m2 (11% of the total sellable area of the project) priced at $ 21.3 million or 10% of the potential sales value.

Astor Núñez is a project executed through subsidiary Pico y Cabildo S.A.

Astor Caballito

On June 30, 2011, the Company entered into an exchange acquisition operation for a lot located in the neighborhood of Caballito. The land was acquired with work drawings approved to build three towers with a total sellable area of app. 30,000 m2, for a total PSV of US$ 73.6 million, and construction work started in Tower 3. TGLT continued the works and considered said18-story tower launched with a PSV of US$ 13.7 million.

The excavation and basement are ready and the slabs are now up to the third floor. In turn, the 22-story Tower 2 will start construction during 2012. The showroom is now being tendered in order to have it ready by the end of the first quarter of 2012.

As of December 31, 2011, 25 units had been sold for a total 1,535 m2 (5% of the total sellable area of the project) priced at $ 10.9 million or 3% of the potential sales value.

Venice

During the first quarter of 2011, the master plan for the project was finally configured for the development and sales plan, adjusting the characteristics to the result of the technical studies conducted, as well as the stage-wise progression of the project.

Once the final master plan was defined, the architecture contest began for the design of the first sellable 40,000 m2 in multifamily buildings to be launched. Of the seven proposals received, that submitted by McCormack y Asociados was declared the winner on the basis of economic and qualitative criteria.

In November 2011, an office building was inaugurated at the project site, the only one of its kind in the country thanks to its design, size and connection to the environment, which raised significant expectations for the launch of the first stage of the project. In this sense, at the end of that month, the pre-sales of the first five buildings of Stage 1 was launched together with brokers Tizado y Castex, including 234 units. During the summer months, the pre-sales process will continue in the Tigre showroom while the last municipal approvals are being expedited, to allow for "Venice" to be launched to the public at large toward autumn of 2012. During the course of the year, successive stages will be launched, including the sale of certain buildings using a cooperative financing plan.

As of December 31, 2011, 29 units and two boathouses had been sold for a total 1,937 m2 (0.8% of the total sellable area of the project) priced at $ 16.7 million or 0.4% of the potential sales value.

The Venice project is executed through subsidiary Marina Río Luján S.A. where TGLT holds a 50% stake.

Forum Puerto del Buceo

During 2011, the final design for the "Forum Puerto del Buceo" project was completed on the basis of the demands made by the National Heritage Commission of the Republic of Uruguay. Once that Commission gave its approval, the works are now pending approval by the authorities of the Municipality of Montevideo.

In early January 2012, TGLT closed on the purchase of a 10,852 m2 property where the project will be built. Located in the Puerto del Buceo area facing the Uruguay Yacht Club, the architecture project is being prepared by Carlos Ott Arquitectos in an association with Carlos Ponce de León Arquitectos.

This project, the company's first in Uruguay, calls for the construction of 258 housing units with 1 to 4 bedrooms, and its commercial launch to the public is expected for the first quarter of 2012.

As of December 31, 2011, 16 units had been sold for a total 3,017 m2 (7% of the total sellable area of the project) priced at $ 26.5 million or 4% of the potential sales value.

FACA

As described in section V, on March 15, 2011, the Company executed a memorandum of understanding with Servicios Portuarios S.A. ("SP") for TGLT S.A. (or a controlled subsidiary of TGLT S.A.) to purchase a property located in the city of Rosario, Province of Santa Fe, which adjoins the property on which "Forum Puerto Norte" project.

Toward the third quarter of 2011, we engaged renowned architects Foster & Partners (England) to design the master plan and the first phase of the project. The development contemplates a sellable area of app. 121,580 m2 for a total of US$250 million, the first phase of which should be launched in the second quarter of 2012. A possibility is being discussed to develop the buildings located in the sectors farthest from the river on a cooperative financing basis.

Summary of our projects

The following table summarizes the general characteristics and current status of the Company's real estate developments:

Project	Forum Puerto Norte	Forum Alcorta	Astor Palermo	Astor Caballito	Astor Núñez	Venice [1]	Forum Puerto del Buceo	FACA Project
Location	Rosario, Santa Fe	Bajo Belgrano, City of Buenos Aires	Palermo, City of Buenos Aires	Caballito, City of Buenos Aires	Núñez, City of Buenos Aires	Tigre, Buenos Aires	Montevideo, Uruguay	Rosario, Santa Fe
Segment	High/ Medium-High	High	Medium-High	Medium-High	Medium-High	High/Medium -High	High	High/Medium -High
Type	Urban Complex	Urban Complex	Multi-family	Multi-family	Multi-family	Development	Urban Complex	Development
Characteristics	Riverfront	Park	Urban	Urban	Urban	Riverfront	Riverfront	Riverfront
Year of Acquisition	2008	2008	2010	2011	2011	2007	2009	2011
Land (m2)	43,000	13,000	3,208	9,766	4,759	320,000	10,765	84,000
Sellable area (m2)	52,707	40,981	14,449	30,064	20,317	Single-family plots: approx. 22,300 Housing and commercial: approx. 212,300	Approx. 40,000	Approx. 121,580
Sellable units	456	152	210	500	298	Single-family plots: approx. 24 Housing and commercial: approx. 2,589	258	Approx. 1,095

Project	Forum Puerto Norte	Forum Alcorta	Astor Palermo	Astor Caballito	Astor Núñez	Venice (1)	Forum Puerto del Buceo	FACA Project
Other sellable units	Parking spaces: 570 Boathouses : 95	Parking spaces: 400	Residential parking spaces: 195 Commercial parking spaces: 171	Parking spaces: 500	Residential parking spaces: 231	Parking spaces: approx. 3,019 Boathouses and marinas: approx. 182	Parking spaces: approx. 312	Commercial parking spaces: approx. 1,307
Total estimated PSV (millions of US$)	97.2	174.6	52.5	73.6	54.4	Approx. 540.0	Approx. 130.0	Approx. 250.0
PSV launched as of 12/31/11 (millions of US$)	97.2	174.6	52.5	15.5	54.4	46.4	45.2	-
Area sold as of 12/31/11 (m2)	43,397	23,319	6,882	1,535	2,143	1,937	3,017	-
Units sold as of 12/31/11	388	80	101	25	25	29	16	-
Other units sold as of 12/31/11	Parking spaces: 409 Boathouses: 57	Parking spaces: 155	Residential parking spaces: 86 Commercial parking spaces: 171	Parking spaces: 25	Parking spaces: 31	Parking spaces: 23 Boathouses and marinas: 2	-	-
Sales secured as of 12/31/11 (millions of $)	307.7	326.2	91.6	10.9	21.3	16.7	26.5	-
Sales secured during 2011 (millions of $)	127.5	174.8	61.5	10.9	21.3	16.7	26.5	-
Construction progress as of 12/31/11 (performance of monetary budget)	88%	38%	-	21%	-	-	-	-
Stage	Construction	Construction	Pre-construction	Construction	Product Design and Permitting	Product Design and Permitting	Product Design and Permitting	Product Design and Permitting

(1) Figures are for 100% of the project. TGLT reports accounting information on Venice consolidated ratably at 50%.

V. OTHER RELEVANT TRANSACTIONS

Property in Puerto Norte, Rosario

On March 15, 2011, the Company executed a memorandum of understanding with Servicios Portuarios S.A. ("SP") for TGLT S.A. (or a controlled subsidiary of TGLT S.A.) to purchase a property located in the city of Rosario, Province of Santa Fe, referred to by the Municipality of Rosario as Management Unit 1 of the 2nd Phase Special Plan for the Scalabrini Ortiz Urban Renovation Center, which adjoins the property on which "Forum Puerto Norte" project that belongs to subsidiary Maltería del Puerto S.A. is located (the "Property").

Under the memorandum of understanding the parties agreed to enter into bona fide negotiations for the definitive terms and conditions of the contracts, agreements and documents that will set out the rights and obligations of the parties for the joint development of a real estate project on the Property within 6 (six) months from the execution of the memorandum of understanding, which term may be extended on a one-time basis for 3 (three) additional months by any of the parties.

On December 21, 2011 (but with retroactive effects to December 15, 2011, when the extension had expired), the parties agreed on extensions to the memorandum of understanding until March 15, 2012.

The total surface area of the Property is app. 84,000 m2, resulting from an FOT of 117,000 m2 and a sellable and/or marketable area of app. 121,000 m2 plus 1,380 parking spaces. TGLT S.A. (or a controlled subsidiary of TGLT S.A.) will acquire the Property where the Company will erect several premium-quality buildings that will include, among other things, apartments, commercial establishments, storerooms, parking spaces, boathouse, piers, marinas, etc., with a PSV of app. US$ 260 million.

This development will be built in two stages, as evident from the ordinances and other municipal regulations of Rosario: Stage I (construction units 1 and 2), and Stages II, III and IV (construction units 3, 4 and 5).

The purchase price will be US$ 28,000,000 (Twenty Eight Million US Dollars). Also, the Company will offset the sums paid by SP for the works on Luis Candido Carballo Avenue, totaling $ 8,408,700.90 (Eight Million Four Hundred and Eight Thousand Seven Hundred point Ninety Pesos), plus Value Added Tax.

Pico y Cabildo S.A.

On March 30, 2011, the Company entered into a purchase agreement for the entire equity package at “Pico and Cabildo S.A.” The main asset held by this company. is two (2) parcels of land located in the neighborhood of Núñez, Autonomous City of Buenos Aires.

(i) Vedia Street Nos. 2332 / 2334 / 2340 / 2342 / 2348 / 2350 between Cabildo Avenue and Vuelta de Obligado Street; Real Estate Inventory Classification: Circumscription: 16; Section: 29; Block: 12; parcel 4b; License FR 16-48561; and

(ii) Cabildo Avenue Nos. 4801 / 4827 / 4829 / 4833 / 4837 / 4847 / 4861 corner with Pico Street 2329 / 2335 / 2339 / 2347 / 2351 / 2357 / 2331 / 2365 / 2395 / 2397; Real Estate Inventory Classification: Circumscription: 16; Section: 29; Block: 12; Parcel 4c; License: FR 16-48562.

On March 30, 2011, the Company entered into a purchase agreement for the entire equity package at “Pico and Cabildo S.A.”, with the shareholders of that company (the “Sellers”). The transfer of 95% of the shares to the Company took place on April 14, 2011 (the “First Closing Date”) and the transfer of the remaining 5% of the shares to the Company or its nominee took place on June 2, 2011 (the “Second Closing Date”).

The main asset held by Pico and Cabildo S.A. is two (2) parcels of land located in the neighborhood of Núñez, Autonomous City of Buenos Aires, as per the following breakdown (collectively, the “Property”):

(i) Vedia Street Nos. 2332 / 2334 / 2340 / 2342 / 2348 / 2350 between Cabildo Avenue and Vuelta de Obligado Street; Real Estate Inventory Classification: Circumscription: 16; Section: 29; Block: 12; parcel 4b; License FR 16-48561; and

(ii) Cabildo Avenue Nos. 4801 / 4827 / 4829 / 4833 / 4837 / 4847 / 4861 corner with Pico Street 2329 / 2335 / 2339 / 2347 / 2351 / 2357 / 2331 / 2365 / 2395 / 2397; Real Estate Inventory Classification: Circumscription: 16; Section: 29; Block: 12; Parcel 4c; License: FR 16-48562.

The total purchase price for the shares was agreed at US$ 12,600,000. The terms of payment are as follows:

(i) US$ 2,199,348 was paid by the Company’s delivery to the Sellers of preliminary sales agreements for functional units in the “Astor” development that the Company is building on the property it owns on Beruti Street No. 3351 in the Autonomous City of Buenos Aires.

(ii) US$ 6,184,775 was paid in cash on September 30, 2011.

(iii) US$ 4,215,877 will be paid in cash on January 30, 2012.

As security for the payment of the balance on the Cash Price due subsequent to the Second Closing Date, the Company furnished, as of the First Closing Date, a first-priority pledge on the Shares by executing a share pledge agreement in favor of the Sellers.

During January 2012, the Company had paid the entire balance on the debt mentioned in the preceding paragraph, and therefore the security furnished as a result of said transaction was fully released as of then.

On the Property, measuring 4,759 m2, the Company –either under its own name or as Pico and Cabildo S.A.- plans to build a real estate development measuring app. 18,800 m2 of sellable area plus parking spaces and storerooms, with a potential sales value estimated at U$ 55 million.

On September 9, 2011, the Company sold 3% of the shares it owned in Pico y Cabildo S.A. to Canfot S.A.

Canfot S.A.

On June 14, 2011, the Company entered into a share purchase agreement with Mr. Ricardo Depresbiteris whereby it acquired 24.96% of the entire corporate capital and votes in Canfot, in the sum of US$ 7,500,000. As of December 31, 2011, the Company had paid the entire agreed price.

On September 13, 2011, the Company entered into a share purchase agreement with Kondor Fund, SPC – Kondor Properties Segregated Portfolio ("Kondor") whereby it transferred 4,383,235 shares in Canfot (representing 9.09% of equity and votes) in the sum of US$ 2,900,000.

As a result of these transactions, the Company held 90.91% of the equity interest and votes in Canfot as of December 31, 2011.

Property in Caballito, Autonomous City of Buenos Aires

On June 29, 2011, the Company entered into an exchange acquisition operation for a lot located in the neighborhood of Caballito, City of Buenos Aires, owned by IRSA Inversiones and Representaciones Sociedad Anónima. The Company intends to develop a housing project on the Property. As consideration for the acquisition of the property, TGLT agreed to transfer to IRSA:

(i) A number to be determined of functional housing units (apartments), on aggregate representing 23.10% of the proprietary sellable square meters destined for housing (apartments) in the building to be erected;

(ii) A number to be determined of parking spaces, on aggregate representing 21.10% of the proprietary parking square meters located in the two underground levels of the real estate development to be built by TGLT in the Property;

(iii) If TGLT builds additional storerooms, a number to be determined of additional storerooms equivalent to 21.1% of the proprietary storeroom square meters in the buildings that TGLT will erect on the Property; and

(iv) The sum of One Hundred and Fifty Nine Thousand Three Hundred and Seventy Five United States Dollars (US$ 159,375) payable within forty eight (48) hours after execution and delivery of the transaction documentation.

The percentages specified in (i) above would be reduced by up to 21% of the sellable housing square meters (apartments) if possession of the units subject to this exchange is made before the deadlines agreed in the contractual documentation.

To secure its obligations under the exchange, TGLT furnished a first-priority mortgage in favor of IRSA over the Property, for up to the sum of Twelve Million Seven Hundred and Fifty Thousand United States Dollars (US$12,750,000) plus interest, costs and expenses as applicable.

On the Property, which measures 10,000 m2, the Company expects to develop a real estate property totaling approximately 30,000 sellable m2 plus parking spaces and storerooms, with a potential sales value ("PSV") estimated at US$ 73 million.

Birzey International S.A.

On October 5, 2011 the Company entered into a purchase & sale agreement for the entire equity package in "Birzey International S.A." ("Birzey"), a business corporation legally addressed in Montevideo, Republic of Uruguay. The intention of the Company is to change the name of Birzey to TGLT Uruguay S.A., which shall execute the projects that TGLT has in said country.

Miwok S.A.

On November 22, Birzey International S.A. entered into a purchase & sale agreement for the entire equity package in "Miwok S.A." ("Miwok"), a business corporation legally addressed in Montevideo, Republic of Uruguay. The intention of the Company is to change the name of Miwok to "Puerto del Buceo S.A." or a similar name, which shall execute the real estate project known as "Forum Puerto del Buceo" in Montevideo, Uruguay.

Property in Montevideo, Uruguay

On January 5, 2012, TGLT's wholly-owned subsidiary "Miwok S.A.", a stock company incorporated in the Republic of Uruguay ("Miwok"), closed on a purchase by executing the respective title-transfer instrument for the land with its buildings and other improvements attached thereto, located in the district of Montevideo, real estate tax locality of Montevideo, urban zone, with a surface area of 10,852.44 square meters, where it will develop the project known as "Forum Puerto del Buceo" (the "Property").

As consideration for the Property, Miwok agreed to pay: (i) the sum of US$ 600,000 (six hundred thousand United States dollars) simultaneously with the execution of the notarized purchase & sale instrument; (ii) the sum of US$ 5,400,000 (five million four hundred thousand United States Dollars) on March 31, 2012, and the sum of US$ 6,000,000 (six million United States Dollars) on March 31, 2013; and (iii) the balance, i.e. the sum of US$ 12,000,000 (twelve million United States dollars), to be paid through the sale of future condominium units in the "Forum Puerto del Buceo" project, on aggregate adding up to approximately five thousand eight hundred and fifty five (5,845) square meters on own property, comprising the common property for exclusive use pertaining to those units, and fifty four (54) parking spaces that Miwok will build on the Property. As security for the obligations assumed in the transaction, Miwok furnished a first-priority mortgage on the Property in favor of the sellers. Moreover, TGLT furnished a joint-and-several guaranty in favor of the sellers to secure the obligations assumed by Miwok under the purchase & sale and mortgage.

VI. STATISTICAL DATA

Information on staffing at the Company over time:

	Dec 31, 2011	Dec 31, 2010
Staffing	53	32

TGLT

TGLT S.A.

ANNUAL REPORT AND OVERVIEW

YEAR ENDED AS OF DECEMBER 31, 2011

Information on the progress of sales and advance payments:

	Project							
	Forum Puerto Norte	**Forum Alcorta**	**Astor Palermo**	**Astor Caballito**	**Astor Núñez**	**Venice (1)**	**Forum Puerto del Buceo**	**Total**
Units sold								
In the quarter ended as of 12.31.11	14	5	3	-	2	15	16	**55**
In the quarter ended as of 12.31.10	26	8	38	-	-	-	-	**72**
In the year ended as of 12.31.11	130	29	63	25	25	15	16	**303**
In the year ended as of 12.31.10	94	17	38	-	-	-	-	**149**
Accumulated as of 12.31.11	**388**	**80**	**101**	**25**	**25**	**15**	**16**	**650**
Sales secured (*)								
Period sales								
In the quarter ended as of 12.31.11	16,161,997	23,235,747	2,583,609	-	1,285,070	8,372,477	26,458,154	78,097,053
In the year ended as of 12.31.11	121,515,432	166,419,402	59,384,595	10,942,558	21,270,616	8,372,477	26,458,154	414,363,234
Adjustments on previous period sales (**)								
In the quarter ended as of 12.31.11	6,091,983	19,710,137	2,082,099	372,741	605,964	-	-	28,862,925
In the year ended as of 12.31.11	6,000,929	8,362,018	2,163,566	-	-	-	-	16,526,512
Total sales								
In the quarter ended as of 12.31.11	22,253,980	42,945,884	4,665,708	372,741	1,891,034	8,372,477	26,458,154	106,959,979
In the quarter ended as of 12.31.10	21,670,203	26,341,760	30,025,587	-	-	-	-	78,037,550
In the year ended as of 12.31.11	127,516,361	174,781,420	61,548,160	10,942,558	21,270,616	8,372,477	26,458,154	430,889,746
In the year ended as of 12.31.10	71,900,483	59,560,307	30,025,587	-	-	-	-	161,486,377
Accumulated as of 12.31.11	**307,718,825**	**326,230,819**	**91,573,747**	**10,942,558**	**21,270,616**	**8,372,477**	**26,458,154**	**792,567,196**
Customer advances (*)								
In the quarter ended as of 12.31.11	41,605,193	21,392,315	1,038,126	159,662	1,469,267	2,080,824	150,640	67,896,027
In the quarter ended as of 12.31.10	20,304,817	18,428,624	32,377,486	-	-			71,110,927
In the year ended as of 12.31.11	120,193,264	79,372,736	15,023,505	10,942,578	8,331,748	2,080,824	150,640	236,095,295

	Project							
	Forum Puerto Norte	**Forum Alcorta**	**Astor Palermo**	**Astor Caballito**	**Astor Núñez**	**Venice** (1)	**Forum Puerto del Buceo**	**Total**
In the year ended as of 12.31.10	60,703,800	33,885,068	32,377,486	-	-	-	-	126,966,354
Accumulated as of 12.31.11	**231,156,206**	**163,355,005**	**47,400,991**	**10,942,578**	**8,331,748**	**2,080,824**	**150,640**	**463,417,992**

(1) Figures pertain to 50% of the project because TGLT reports this information consolidated ratably to its interest.

(*) Amounts are shown in pesos net of Value Added Tax.
(**) Adjustments related to exchange rate and CAC index variations used to adjust certain sales contracts executed in previous periods as well as other adjustments on sales secured in previous periods.

VII. CONSIDERATION OF MAIN INCOME STATEMENT INDICATORS

NRV Results

TGLT records its income from projects under construction using the "percentage of completion method" ("PoC"). According to this methodology, the gross earnings expected from a building are recorded during its life according to percentage sales and completion (land included) in relation to an estimated completion plan.

According to Argentine GAAP, this income is known as "Result from Valuation of Inventory at net realization value" (NRV Result"). The NRV Result is calculated at the individual building level and starts being recognized once construction begins.

Argentine GAAP also provide that only when the units sold are delivered may sales income –and the corresponding cost of sales (CMV)- be recognized in the Income Statement. Nevertheless, the Company reports its sales income and CMV that are implied in the calculation of NRV Result (PoC sales income and PoC CMV) on a pro forma basis, in order to facilitate comparisosn with other companies in the sector.

As shown in the following table, progress in our projects has led to significant increases in NRV Result versus the same periods in 2010. During the year, TGLT generated $63.9M in NRV result. As mentioned before, NRV Result for each of our projects is calculated on an individual building basis. This way, in multi-phase projects, the buildings launched first are expected to have a lower expected margin that those launched subsequently. Consequently, NRV margin related to phased projects should grow over time as subsequent buildings are launched. As of December 31, 2011, Forum Puerto Norte, Forum Alcorta and Astor Caballito are considered phased projects.

Gross NRV margin during the year was 21% over sales income, 500 basis points above 2010.

NRV RESULTS	2011	2010	Var %
PoC sales income	**311.6**	**60.0**	**419%**
Forum Puerto Norte	185.7	60.0	
Forum Alcorta	122.9	-	
Astor Caballito	2.9	-	
PoC cost of goods sold	**(247.6)**	**(50.7)**	**(388%)**
Forum Puerto Norte	(156.5)	(50.7)	
Forum Alcorta	(88.7)	-	
Astor Caballito	(2.4)	-	
Gross NRV result	**63.9**	**9.3**	**586%**
Forum Puerto Norte	29.2	9.3	
Forum Alcorta	34.2	-	
Astor Caballito	0.5	-	
(-) Depreciation of greater value of inventory	**(29.4)**	**(10.6)**	**(177%)**
Forum Puerto Norte	(25.5)	(10.6)	
Forum Alcorta	(3.9)	-	
Net NRV result	**34.5**	**(1.3)**	**n.m.**
Forum Puerto Norte	3.7	(1.3)	
Forum Alcorta	30.3	-	
Astor Caballito	0.5	-	
Gross NRV result / PoC sales income	***21%***	***16%***	***5%***

EBITDA

EBITDA totaled $48.6M in 2011 or a 16% margin over PoC sales income, driven by growing Company operations.

EBITDA	Dec 31, 2011	Dec 31,2010
Operational results	**15.5**	**(12.3)**
(+) Other income and expenses, net	3.2	
(+) Depreciation of higher value of inventories	29.4	10.6
(+) Depreciation of fixed assets and intangibles	0.4	0.3
EBITDA	**48.6**	**(1.4)**
EBITDA margin on PoC sales income	*16%*	*(2%)*

Net Adjusted Result and Income Tax

Net results for 2011 yielded a loss of $(21.7M). Before investment valuation adjustments, the net adjusted result was $16.2M in 2011, reversing the adjusted losses sustained last year. Income tax for the year was $(10.2M) due to an actual tax rate on adjusted earnings before taxes of 32%.

NET ADJUSTED RESULT	Dec 31, 2011	Dec 31,2010
Net result	**(21.7)**	**(19.2)**
(+) Depreciation of greater value of inventories	29.4	10.6
(+) Depreciation of goodwill	6.0	(2.3)
(+) Investment valuation adjustment	2.5	-
Net adjusted result	**16.2**	**(10.8)**

VIII. MAIN INDICATORS, RATIOS OR INDEXES:

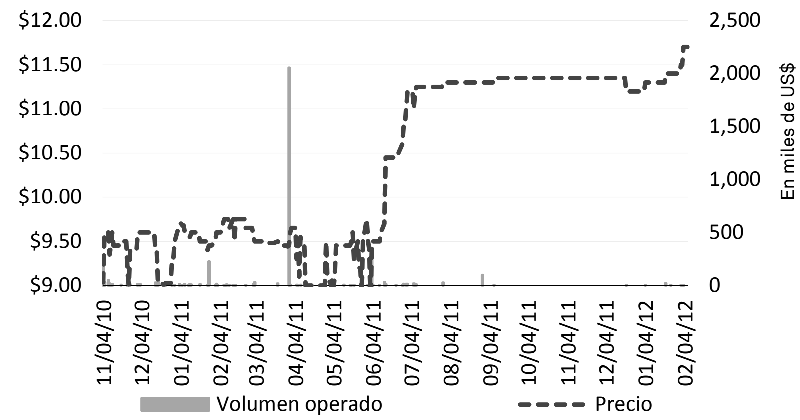
Indicator	Formula	Dec 31, 2011	Dec 31, 2010
Current ratio	Current Assets / Current Liabilities	1,31	6,12
Acid-test ratio	(Shareholders' Equity + Minority Interest) / Liabilities	0,64	1,67
Sunken capital	Non-current Assets / Total Assets	0,64	0,74
Rate of return	Annualized net results / Average Shareholders' Equity	(0,05)	(0,08)

IX. CAPITAL MARKETS

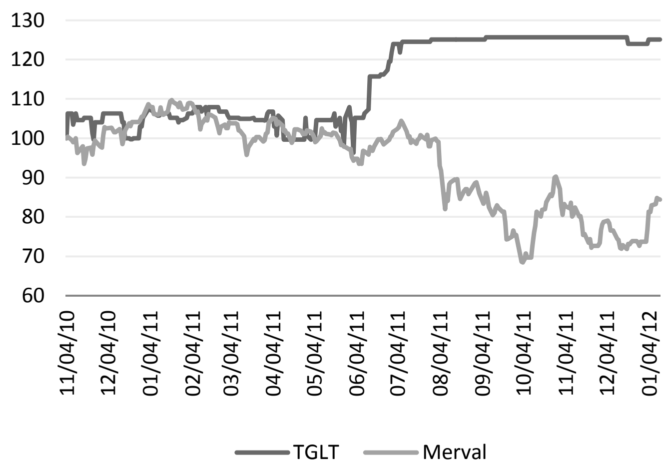
Performance by TGLT S.A. equities

The TGLT share ¿has evolved favorably in 2011, with a 19% positive variation and accumulating a 25% rally since the IPO. This performance compares favorably against dips in the Merval index of (24%) and (19%), respectively.

Price performance and traded volume



Performance by TGLT share compared to the Merval index



GDR program upgrade to a Level I ADR program

On February 7, 2012, the Company announced the upgrade in its GDR program to a sponsored Level I ADR program. Under the Level I ADR program, each ADR of TGLT represents 5 shares of common stock in the Company. The level I ADRs will be traded on the OTC market in the United States of America under the TGLTY symbol.

The F-6 registration form sent to the United States Securities and Exchange Commission on January 27, 2011 was declared effective on February 7, 2011. The Bank of New York Mellon was designated as depositary bank.

On January 12, 2012, the United States Securities and Exchange Commission ("SEC") approved an amendment to the Company's ADR (*American Depositary Receipts*) program in order to allow for the conversion of ADRs into BDRs and vice versa.

Level II BDR program

On November 4, 2011, the Securities Commission of the Federal Republic of Brazil (in Portuguese, *Comissão de Valores Mobiliários* or "CVM") granted TGLT its registration as a listed company and approved the BDR Level II program (Brazilian Depositary Receipts). With this program, where each BDR represents 5 shares of common stock in TGLT, the Company enters the general stock screen of BM&FBovespa, the largest stock exchange in Latin America and one of the world's largest. Thus, all investors who operate in BM&FBovespa may invest in TGLT the same way they do in the local shares of that market. Trading began on November 11, 2011. All shares of common stock and ADRs of the of the Company will be convertible into BDRs at a ratio of 5 (five) shares per BDR and 1 (one) ADR per BDR.

On February 7, 2012, trading of Level II BDRs (*Brazilian Depositary Receipts*) commenced on the BM&FBovespa, Brazil's leading securities exchange. The Level II BDR program had been approved by the Brazilian Securities Commission (in Portuguese, *Comissão de Valores Mobiliários* or "CVM") on November 4, 2011, as advised in a note dated November 7, 2011.

In turn, we designated Plural/Flow as market maker for the BDRs as per CMV Instruction No. 384 and Chapter XII of the trading regulations of BM&FBovespa, offering investors more price visibility and trading flow.

Marketable Debt Securities Program

At the Shareholders' Meeting of the Company held on December 20, 2011, approval was given for the creation of a global program for the issuance, reissuance and placement, using a public-offering mechanism, of short-, medium- or long-term simple Marketable Debt Securities not convertible into stock, subordinated or not, secured or unsecured, pursuant to law No. 23,576, as amended (the "DSs") to be denominated in United States Dollars or any other legal currency, in the outstanding amount at any time not exceeding fifty million United States Dollars (US$ 50,000,000) or its equivalent in other currencies (the "Program"), and reissue the successive classes and/or series that may be amortized. The Program will have an effective term of five (5) years from its authorization by the CNV, during which all issuances and re-issuances thereunder are to be made.

Approval was also given for the proceeds obtained from the placement of the DSs issued under the program to be used in any of the manners indicated in article 36(2) of law No. 23,576, as amended from time to time, e.g. investments in physical assets located in the country; and/or contribution of working capital in the country; and/or refinancing of debts; and/or capital contributions to subsidiaries or affiliates of the issuer Company, the proceeds of which should be used solely for the purposes indicated above, and the Board (or. if applicable, the directors or officers to which its authority may be sub-delegated) may determine to what use the proceeds from the issuance or re-issuance of each series or class of DSs to be issued under the program will be put.

X. SUMMARIZED ACCOUNTING INFORMATION

Summary of balance sheet, income statement, cash flow, use of funds and indicators

Balance sheet

	Dec 31, 2011	Dec 31, 2010
Current assets	392,777,213	188,675,275
Noncurrent assets	695,544,883	534,323,845
Total assets	**1,088,322,096**	**722,999,120**
Current liabilities	300,919,455	30,840,415
Noncurrent liabilities	360,757,102	240,114,354
Total liabilities	**661,676,557**	**270,954,769**
Minority interests	13,313,905	16,399,743
Shareholders' equity	413,331,634	435,644,608
Total liabilities, minority interests and shareholders' equity	**1,088,322,096**	**722,999,120**

Current assets as of December 31, 2011, had increased by $ 205 million YoY mostly on account of the reclassification of inventories to current assets, since most of the functional units in the Forum Puerto Norte project are expected to be delivered over the next 12 months. The balance of cash and cash equivalents (Cash and banks and temporary investments) generated by proceeds from the IPO, net of funds used during the period, went down YoY being used for the most part in land purchases and other Company operations. Increased noncurrent assets are chiefly the result of more inventory (noncurrent) by $161.2 million YoY as a consequence of construction progress in projects as well as of the purchase of new land and a net increase in goodwill (doe to a lower negative goodwill) by $4 million.

Current liabilities as of December 31, 2011 reflect a balance of customer advances of $189 million for the functional units that the company plans to deliver over the next 12 months. As of December 31, 2010, that balance was zero whereas customer advances were entirely under noncurrent liabilities. In fact, the increase in noncurrent liabilities is mostly accounted for by more customer advances by $42 million as well as trade payables higher by $44 million, mostly in relation to land purchases. Shareholders' equity went down by $22.3 million as a consequence of the net negative result obtained in the period.

Income statement structure for the period

	Dec 31, 2011	Dec 31, 2010
Operational results	15,533,155	(13,566,151)
Results from long-term investments	-	(513,271)
Goodwill depreciation	(5,958,220)	2,255,462
Other expenses	(70,422)	(64,578)
Financial and holding results, net	(19,107,228)	(13,091,057)
Other income and expenses, net	3,241,409	1,285,014
Period results before Corporate Income Tax	**(6,361,306)**	**(23,694,581)**
Corporate Income Tax	(10,222,664)	3,671,670
Minority interest	(5,095,175)	847,117
Net period loss	**(21,679,145)**	**(19,175,794)**

Operational results climbed significantly on a year over year basis, mostly on account of more projects entering the construction stage, the effect of which is reflected in the result from valuation at net realization value ("NRV result"). In the period ended on December 31, 2010, the only project that posted NRV results was Forum Puerto Norte, whereas this period we have included Forum Alcorta and Astor Caballito.

In relation to goodwill depreciation, it was increased by greater depreciation associated with the progress made in the projects to which said goodwill relates.

Financial and holding results are mostly accounted for by the impact of exchange rate variations on a higher level of dollar liabilities (customer advances).

Structure of cash flow and use of funds during the period

	Dec 31, 2011	Dec 31, 2010
Cash flow from (funds used in) operations	(109,211,768)	(56,845,243)
Funds used in investments	(35,104,112)	(212,641,794)
Cash flow from financing	43,404,005	434,620,849
Total period cash flow	**(100,911,875)**	**165,133,812**

The funds generated by operational activities increased by $53 million compared to 2010, mostly on account of the purchase of land for future projects or a quickened pace in the construction works for the projects underway.

In 2011, in relation to use of funds in investments, this figure went up for the most part because of payments made in the purchase of companies and the purchase of furniture and supplies related to the remodeling and furnishing of the new TGLT offices.

The use of funds in operations and investment activities was partly financed with external funds in the sum of $44.2 million, as well as with the proceeds obtained from the IPO in 2010.

XI. RELATIONS WITH AFFILIATED COMPANIES

The following relations are maintained with affiliated companies:

- On September 18, 2008, the Company and Maltería del Puerto S.A. entered into a management agreement and on October 27, 2009, they executed an amendment to the same. Under that agreement, as amended, Maltería del Puerto S.A. entrusted the Company with the management, financial and commercial administration of the "Forum Puerto Norte" real estate development in the urban area known as "*Centro de Renovación Urbana Scalabrini Ortiz, Puerto Norte*" in the City of Rosario, Province of Santa Fe.

  In consideration for its development services, Maltería del Puerto S.A. paid the Company US$ 200,000 before December 31, 2008, a monthly amount of US$ 80,000 from October through December 2008 (inclusive), and is paying a monthly amount of US$ 40,000 from January 2009 and until June 2011 (both inclusive), and US$ 20,000 from July 2011 until the end of the effective term of the agreement. Additionally, it is established that the aforementioned amounts may not exceed 2% of the sum of the gross sales of the project; however, if at the end of the effective term of the agreement—once the referred amounts have been paid in full—said amount exceeds the established limit, the difference shall be allocated to payment of the pending pre-sales commissions; if lower, Maltería del Puerto S.A. shall pay the difference within 30 calendar days from the expiration date of this agreement.

  For sales and promotional services, Maltería del Puerto S.A. pays the Company 2% of the total value of gross sales of the units in the "Forum Puerto Norte" real estate development.

  To adjust the terms and conditions of the aforementioned contracts to present circumstances, on July 1, 2011, the parties agreed to suspend the terms and conditions of the same.

  As of the date of these financial statements, the Boards of Directors of both companies were analyzing the various different alternatives.

- On October 27, 2009, Canfot S.A. and the Company entered into a management agreement pursuant to which Canfot entrusted the Company with the management, administration, accounting, and other aspects associated with operating and selling the Forum Alcorta project.

  For said services, the parties agreed on the payment of 48 monthly installments of US$ 67,000 plus VAT in favor of the Company, which cannot exceed 2% of the project's aggregate gross sales; however, if once said amounts have been paid in full said amount exceeds the 2% limit provided for above, the relevant party must pay the difference to the other party. Furthermore, another form of variable compensation in favor of the Company is established aside from the above payment, associated with Canfot S.A.'s net and earned profits.

  Additionally, on that date the parties entered into a sales services agreement whereby the Company will be in charge of promoting and selling the Forum Alcorta project.

  For those promotion and sales services, Canfot will pay the Company 2% of the total value of gross sales of the units in the project mentioned in the preceding paragraph.

  To adjust the terms and conditions of the aforementioned contracts to present circumstances, on July 1, 2011, the parties agreed to suspend the terms and conditions of the same.

  As of the date of these financial statements, the Boards of Directors of both companies were analyzing the various different alternatives.

- On December 27, 2007 the Company, Marina Río Luján S.A. and Metro 21 S.A. entered into a Development and Management Agreement whereby the Company and Metro 21 were entrusted with managing the project known as "Venice." Pursuant to the provisions of the agreement, the developers (the Company and Metro 21 S.A.) take charge of managing the project, which includes supervising sales, management, administration, accounting activities, and in general, all of the aspects associated with management.

As consideration for their development services, Marina Río Luján S.A. will pay the developers a monthly amount of $150,000 plus VAT, of which $90,000 will be paid to the Company.

For product sales services (except those referred to as *Macrolotes*), Marina Río Luján S.A. shall pay the developers 2% plus VAT of the sales price of the products sold. Additionally, the developers reserve the right to charge the purchasers a commission of up to 2% of the sales price of the products plus VAT. Payments for sales services will be made until all the products have been sold.

As a result of the execution of several addendums to the Development and Management Agreement, entered into among the Company, Marina Río Luján and Metro 21 S.A., accrual of payments for Development Services was suspended in late 2009 and for 2010 in its entirety, resuming accrual on January 1, 2011. On June 1, 2011, the parties signed a new addendum to the development and management agreement to suspend accrual of payments for Development Services from June 1, 2011, until August 31, 2011, inclusive. Subsequently, by signing another addendum to the development and management agreement, the parties agreed to suspend accrual of the development service payments until April 1, 2012, inclusive.

- On October 13, 2010, the Company executed a promissory agreement with Alto Palermo S.A. (“APSA”) for the purchase of a property located in the City of City of Buenos Aires, the front of which is on 3351/59 Beruti Street, between Bulnes and Av. Coronel Díaz, with Real Estate Inventory Classification: Circumscription: 19; Section: 15; Block: 15; Plot 11-S (the “Plot”). TGLT S.A. is planning on erecting an apartment building on the plot with residential and commercial parking spaces..

  As consideration for the acquisition of the Property, TGLT agreed to transfer to APSA: (i) a number to be determined of functional housing units jointly representing 17.33% of the Company’s own sellable square meters of residential space in the building to be erected; (ii) a number to be determined of supplementary/functional parking spaces jointly representing 15.82% of the Company’s own square meters of parking space in the same building, (iii) the total amount of functional units to be used as commercial parking spaces; and (iv) US$ 10,700,000, which were paid on November 5, 2010.

  On December 16, 2010 the transfer of title to the Property was executed, with APSA as the seller and the Company as the purchaser.

  As a result of the property purchase and to secure performance of all the obligations TGLT assumed vis-à-vis APSA, TGLT furnished a first-priority mortgage over that property in favor of APSA. The mortgage is valued at US$8,143,231.

  This property is also subject to three gratuitous, perpetual, continuous and non-apparent easements, as a servient estate in favor of the property where the “Alto Palermo Shopping” mall is located, the latter as the dominant estate, in relation to any structures erected on the servient estate and the future use of the functional units to be eventually built on the servient estate.

- On June 29, 2011, the Company entered into an exchange acquisition operation for a lot located in this city, with the following Real Estate Inventory Classification: Circumscription: 7; Section: 45; Item: 179-579-02 (the “Property”), , owned by IRSA Inversiones and Representaciones Sociedad Anónima (“IRSA”). The Company intends to develop a housing project on the Property.

  As consideration for the acquisition of the property, TGLT agreed to transfer to IRSA: (i) a number to be determined of functional housing units (apartments), on aggregate representing 23.10% of the proprietary sellable square meters destined for housing (apartments) in the building to be erected; (ii) a number to be determined of parking spaces, on aggregate representing 21.10% of the proprietary parking square meters located in the two underground levels of the real estate development to be built by TGLT in the Property; (iii) If the Company builds additional storerooms, a number to be determined of additional storerooms equivalent to 21.1% of the proprietary storeroom square meters in the buildings that the Company will erect on the Property; and (iv) the sum of US$ 159,375 payable within forty eight (48) hours after execution and delivery of the transaction documentation. The percentages specified in (i) above would be reduced by up to 21% of the sellable housing square meters (apartments) if possession of the units subject to this exchange is made before the deadlines agreed in the contractual documentation. To secure its obligations under the exchange, TGLT furnished a first-priority mortgage in favor of IRSA over the Property, for up to the sum of US$12,750,000 plus interest, costs and expenses as applicable.

As of December 31, 2011 and 2010, the balances with companies under article 33 – Law 19,550 and other related companies are as follows:

SALES CREDITS	**Dec 31, 2011**	Dec 31, 2010
Marina Río Luján S.A.	78,681	-
	78,681	-

OTHER CREDITS		
In local currency		
Individual shareholders	910,282	356,176

PDG Realty S.A. Empreendimentos e Participações	842,516	250,455
Other shareholders	909,086	-
Directors	32,631	23,806
	2,694,515	630,437
In foreign currency		
Alto Palermo S.A.	2,480,737	-
Marina Río Luján S.A.	2,788,486	-
	5,269,223	-
TRADE PAYABLES		
IRSA Inversiones y Representaciones S.A.	42,224,900	-
	42,224,900	-
LOANS		
Individual shareholders	14,204,607	-
	14,204,607	-

CUSTOMER ADVANCES	**Dec 31, 2011**	Dec 31, 2010
Current		
In local currency		
Individual shareholders	4,022,989	-
	4,022,989	
In foreign currency		
Individual shareholders	4,088,507	-
	4,088,507	-
Noncurrent		
In local currency		
Individual shareholders	-	1,103,347
	-	1,103,347
In foreign currency		
Alto Palermo S.A.	35,048,466	32,377,486
IRSA Inversiones y Representaciones S.A.	11,965,151	-
Individual shareholders	-	2,931,587
	47,013,617	35,309,073

As of December 31, 2011, the most significant operations with companies under article 33 – Law 19,550 and other related companies are as follows:

	Profit/ (Loss)	
SERVICES PROVIDED	**Dec 31, 2011**	Dec 31, 2010
Marina Río Luján S.A.	290,879	-
Compañía Argentina de Participaciones S.A.	-	7,500
	290,879	7,500
FINANCIAL RESULTS, NET		
Alto Palermo S.A.	(2,394,324)	-
Marina Río Luján S.A.	(235,750)	(60,999)
Individual shareholders	(216,392)	(57)
IRSA Inversiones y Representaciones S.A.	(2,443,927)	-
AGL Capital S.A.	-	(156,685)
	(5,290,393)	(217,741)
PAYMENTS MADE		
AGL Capital S.A.	-	3,194,363

Driway Corporation S.A.	-	365,636
Individual shareholders	-	21,966
	-	3,581,965

COLLECTIONS ON SERVICES PROVIDED		
Marina Río Luján S.A.	272,453	-
Compañía Argentina de Seguros S.A.	-	9,075
	272,453	9,075

CUSTOMER ADVANCES RECEIVED		
Individual shareholders	8,111,496	-
	8,111,496	-

LOANS RECEIVED		
Individual shareholders	12,441,433	-
	12,441,433	-

PAYMENTS MADE ON BEHALF OF THIRD PARTIES		
PDG Realty S.A. Empreendimentos e Participações	592,062	-
Individual shareholders	489,343	-
	1,081,405	-

EXPENSES PAID FOR THIRD PARTIES		
Marina Río Lujan S.A.	22,107	-
	22,107	-

LOANS MADE		
Alto Palermo S.A.	2,226,560	-
Marina Río Luján S.A.	2,113,125	-
	4,339,685	-

CONTRIBUTION OF CORPORATE CAPITAL PLUS ISSUANCE PREMIUM		
Individual shareholders	-	253,887
Marina Río de la Plata S.L.	-	1,549
Marina Río Lujan S.A.	-	250,005
	-	505,441

XII. PROGRESS IN COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) IMPLEMENTATION PLAN

On April 26, 2010, the Board of Directors of TGLT S.A. approved the Formal Plan for Implementing the International Financial Reporting Standards (“**IFRS**”), issued by the International Accounting Standards Board) (“**IASB**”), as was set forth in General Resolution (“**RG**”) No. 562/09 issued by the CNV.

In 2007, the CNV approved the adoption of the IFRS as the sole set of standards for entities under its supervision to prepare their financial statements. Consequently, the CNV commissioned the Argentinean Federation of Professional Economics Associations (“**FACPCE”** by its Spanish acronym), to draft a plan for companies making public offering of their shares and debt securities to adopt the IFRS. The FACPCE submitted said plan to the CNV in April 2008, and the final version was published in October of the same year.

In March, 2009, the Governing Board of the FACPCE approved Technical Resolution No. 26, “Adoption of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).”

Subsequently, the CNV published a draft RG project for adopting RT No. 26 issued by the FACPCE. Finally, in December, RG No. 562/09 issued by the CNV was published in the Official Gazette, which adopts, *mutatis mutandis*, the general guidelines of RT No. 26 of the original proposal by the FACPCE.

RG No. 562/09 issued by the CNV was included in the CNV regulations (2001 Version), and its article 114 included the obligation that entities adopting the IFRS for drafting their financial statements must submit a formal implementation plan, which is to be approved by the Board of Directors, and the content of which must be included in the minutes of the Board meeting in which it is considered and approved, and must also notify the market of such approval as a relevant fact through the CNV and the BCBA

RG No. 562/09 provides that application of the IFRS will be mandatory for the Company as of the fiscal year beginning on January 1, 2012, and its relevant partial periods. The Company did not make use of the option granted by RG No. 562/09 of early adoption of the IFRS starting on January 1, 2011.

However, the Board hereby explicitly acknowledges that the adoption of the IFRS implies a number of analyses and tasks to be undertaken prior to full adoption of the same. In this regard, the Company has begun an orderly process to implement the IFRS, which is to be phased-in as follows:

Stage	Period affected
Stage I – Launching of the convergence project and compliance with defined actions	Period prior to the drafting of the opening balance sheet YEAR: 2010
Stage II – Evaluation of accounting and business impact (after drafting the opening balance sheet)	Transition period (compared with first full period under the IFRS) YEAR: 2011
Stage III – Compliance with actions prior to drafting the first information under the IFRS (reconciliations)	Transition period (compared with first full period under the IFRS) YEAR: 2011
Stage IV – Notification to the market of the impact that the application of the IFRS will have on the entity's financial performance metrics and the dividend policy	Transition period (compared with first full period under the IFRS) YEAR: 2011

As a result of monitoring the specific IFRS implementation plan, the Board has not become aware of any circumstance that would require modifications to such a plan or that would indicate that it would eventually deviate from the established goals and dates.

Note 21 to the consolidated financial statements includes the information required under technical resolution No. 26 of the Argentinean Federation of Professional Economics Associations in relation to the "Information on annual financial statements for the year preceding that in which IFRS are first applied."

XIII. CORPORATE GOVERNANCE

Corporate Governance Policies

The Company fulfills the Law on Business Corporation, and once it has entered the Public Offering of Shares system it will be required to fulfill Decree on Transparency and CNV regulations regarding corporate governance. On October 11, 2007 the CNV issued Resolution 516/2007, approving a corporate governance code (the "**Code**") which supplements the legal framework for corporate governance established by Decree on Transparency and CNV regulations.

The Code establishes the following specific guidelines for corporate Boards of Directors, among others:

- The obligation to report (i) the existence of policies regarding the relationship between the corporation and its financial group and (ii) operations with affiliates and mangers;
- The obligation to evaluate the convenience of including the guidelines established in the Code in the corporation's articles of incorporation;
- The obligation to evaluate whether the articles of incorporation fulfill the provisions set forth in the Code and recommend their modification, if necessary;
- The obligation to ensure that the articles of incorporation include regulations which impose the obligation of reporting conflicts of interest for board members;
- The Board of Directors is responsible for the strategy of the corporation, and specifically for its business plan, investment and financing policies, corporate governance policies, and auditing and internal management policies;

- The Board of Directors must establish guidelines for evaluating the performance of executives and its own performance as board members;
- The obligation of explaining its decision regarding whether or not to adhere to the regulations which govern Public Offering of Shares established in Decree on Transparency;
- The obligation to evaluate whether it is convenient that members on the Supervisory Commission also act as external auditors of the Company or belong to firms which provide external auditing services to the company, and
- The obligation to evaluate whether it is convenient to establish policies regarding payment of dividends in cash, indicating any conclusions reached and the grounds for the same.

TGLT seeks to implement corporate governance practices that are comparable with the highest international standards, and therefore supplements it adherence to the standards described above with other sound governance practices, such as the following:

- A single type of share, each one representing 1 (one) vote
- Mandatory public offering in the event of withdrawal from public offering
- Arbitration panel of the Buenos Aires Stock Exchange in the event of claims associated with shares and/or shareholders
- Tag-along rights for minority shareholders
- Mandatory acquisition of public offering in the event that one person or group of companies should acquire 40% of the stock.

Accounting information is currently drafted in accordance with professional accounting standards applicable in the Republic of Argentina as issued by the *Federación Argentina de Consejos Profesionales de Ciencias Económicas*, pertinent regulations issued by C.N.V., and the Law on Business Corporations. As of 2012, the Company will draft its accounting information as per the International Financial Reporting Standards (or IFRS) issued by the International Accounting Standards Board (IASB).

Board of Directors

Messrs. Federico N. Weil, Mariano Weil, Ezequiel Segal, Cynthia Lorena Vatrano Natale, Fernando Gallino, Rodrigo Lores Arnaiz, José Antonio Tornaghi Grabowsky, Michel Wurman, Cauê Castello Veiga Innocêncio Cardoso, Frederico Marinho Carneiro Da Cunha, João Miguel Mallet Racy Ferreira, and Marcus Vinicius Medeiros Cardoso de Sá are “non-independent” according to the criteria set forth in the Regulations of CNV; and Marcos Galperín, Aldo Raúl Bruzzoni, Osvaldo Giménez y Alejandro Emilio Marchionna Faré are “independent” according to the criteria set forth in the Regulations of CNV.

Member	Position at TGLT	Expiry of mandate	Date appointed	Type
Federico N. Weil	Chairman	December 31, 2012	October 30, 2009	Regular
José Antonio Tornaghi Grabowsky	Vice-chairman	December 31, 2012	October 30, 2009	Regular
Mariano Weil	Board Member	December 31, 2012	October 30, 2009	Regular
Ezequiel Segal	Board Member	December 31, 2012	October 30, 2009	Regular
Michel Wurman	Board Member	December 31, 2012	October 30, 2009	Regular
Cauê Castello Veiga Innocêncio Cardoso	Board Member	December 31, 2012	October 30, 2009	Regular
Marcos Galperín	Board Member	December 31, 2012	October 30, 2009	Regular
Alejandro Emilio Marchionna Faré	Board Member	December 31, 2012	February 19, 2010	Regular
Aldo Raúl Bruzzoni	Board Member	December 31, 2012	February 19, 2010	Alternate
Fernando Gallino (*)	Board Member	December 31, 2012	October 30, 2009	Alternate
Rodrigo Lores Arnaiz	Board Member	December 31, 2012	December 20, 2011	Alternate
Frederico Marinho Carneiro Da Cunha	Board Member	December 31, 2012	October 30, 2009	Alternate
João Miguel Mallet Racy Ferreira	Board Member	December 31, 2012	October 30, 2009	Alternate
Marcus Vinicius Medeiros Cardoso de Sá	Board Member	December 31, 2012	October 30, 2009	Alternate
Osvaldo Giménez	Board Member	December 31, 2012	October 30, 2009	Alternate
Cynthia Lorena Vatrano Natale	Board Member	December 31, 2012	February 19, 2010	Alternate

(*) On February 28, 2012, Mr. Fernando Gallino tendered his irrevocable resignation to this position. The Supervisory Commission, Ad-referendum of the next Shareholders’ Meeting, must decide on his replacement.

Following is a brief description of our board members' background:

Federico N. Weil. Born on January 9, 1973, Mr. Weil is the founder of TGLT and has been Chairman of the Board since 2005. Additionally, he is the Chairman of Maltería, a regular board member of MRL, managing partner of Tovleb Sociedad de Responsabilidad Limitada, and a regular board member of Canfot. He is also Chairman of CAP Ventures Compañía Argentina de Participaciones S.A. and a regular board member of AGL Capital S.A. In 2009 he was named Chairman of ARCAP (Argentinean Association of Private Equity Funds and Venture Capital). Mr. Weil is an industrial engineer who graduated from the Universidad de Buenos Aires. He also obtained a Master in Business Administration from The Wharton School of the University of Pennsylvania. Federico Weil is Mariano Weil's brother.

José Antonio Tornaghi Grabowsky. Born on March 8, 1963, Mr. Grabowsky has been a Regular TGLT board member since 2007. He is currently the Executive Manager of PDG. Previously, he was responsible for coordinating and developing the real estate investment department of Banco Pactual. Mr. Grabowsky joined Banco Pactual in 2003, and in 2005 he became partner socio. Prior to that, he worked for 13 years with the Icatu Group, were he was director of the Investment Group Holding area. Under his leadership, the Icatu Group participated as co-developer of real estate, residential and shopping mall projects in Rio de Janeiro and Sao Paulo. Mr. Grabowsky founded Atlântica Residencial, a Brazilian real estate developer dedicated to medium- and low-income housing, and was one of its main executives. Icatu was one of the controlling shareholders along with Prudential Real Estate Investors, Cadun (Caisse de Depot et de Colocation de Québec) and GC (Government of Singapore Investment Corporation). Throughout his career, Mr. Grabowski participated in the development of over 70 real estate projects. He is currently a Board member at Goldfarb, CHL, Lindencopr, REP DI, and Brazil Brokers. He is also a partner at the Brazilian institute of Finance Executives – IBEF. Mr. Grabowsky is a civil engineer, and graduated from the Río de Janeiro Pontificia Universidad Católica and received his post-graduate degree in finance at COPPEAD-UFRJ.

Mariano Weil. Born on November 7, 1975, Mariano is a regular board member of the TGLT Board of Directors. Mariano began his professional career at Financial Leadership Program of General Electric Company in 1998. He was then transferred to GE headquarters where he worked at the Corporate Treasury and Financial Planning Department. In 2004 he joined GE Capital Solutions, a GE financial services division in Stamford, Connecticut, until he was transferred to Mexico City in 2006 to fill the position of Finance Manager for Latin America. Mariano was also a board member of the Banco HNS Chile, a GE Capital joint venture, with the Banco Edwards shareholding group. He is the founder of AGL Capital S.A. Mariano Weil has a degree in Economy from the Universidad de San Andrés. Mariano is the brother of Federico Weil, TGLT Chairman.

Ezequiel Segal. Born on November 17, 1971, Mr. Segal has been a regular board member of TGLT since 2007. He is an attorney who graduated from the Universidad de Buenos Aires Faculty of Law in 1993. He later took post-graduate studies at the Northwestern University Business and Law School – Kellogg School of Management (Chicago, USA). He also took post-graduate studies at the City University of Hong Kong Business School and worked in the Ameritech Corporation legal department in Chicago. He then became partner at the Segal, Turner & Asociados Law Firm where he worked mainly in corporate, business, and transaction law. Over the last years he has conducted a significant amount of venture capital and private equity transactions, heading negotiations and legal structuring on behalf of prestigious institutions and mutual funds. Mr. Segal has been a professor of Corporations and Business Law at the Universidad de Buenos Aires and since 1998 he has been a professor in the Negotiation of Degrees in Corporate Economics at the Universidad Torcuato Di Tella. He is also a professor of the ADEBA Bank Management course and a visiting professor at various universities.

Michel Wurman. Born on December 30, 1982, Mr. Wurman has been an alternate board member on the TGLT Board of Directors since 2007. Additionally, he is the PDG Finance Manager and Investment manager. Previously, he was a member of the Banco Pactual investment team, which he joined in 2001. In 2005, he became partner. Before joining the Banco Pactual, he worked at Latintech Capital (a company dedicated to investments in technology companies) for 3 years and at Banco Icatu. Currently, Mr. Wurman is a board member at Goldfarb, CHL, and Lindencorp. Additionally, he works as a private equity and business planning professor in the program for graduates at the IBMEC Faculty of Economics, and at Endeavor Venture. He graduated with honors as an economist from the Río de Janeiro IBMEC Faculty of Economics.

Cauê Castellano Veiga Inocencio Cardoso. Born on December 30, 1982, he is a regular board member on the TGLT Supervisory Commission. Additionally, he is in charge of the PDG legal department. Previously, he was part of the Banco Pactual legal department. Prior to joining the Banco Pactual team, he worked at law firms in San Paulo, such as Sergio Bermudes Advogados e Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados. He graduated from the Universidad de Sao Paulo Faculty of Law.

Marcos Galperin. Mr. Galperin is a co-founder and has been the Chief Executive Officer and Manager of Mercadolibre Inc. since 1999. Previously, Mr. Galperin worked in the fixed income department for J.P. Morgan Securities Inc. in New York and at YPF as an associate in the futures and options department managing the oil by-products and currencies program for the referred company from 1994 to 1997. Mr. Galperín graduated with honors from Wharton School of the University of Pennsylvania in 1994 and obtained a Master in Business Administration at Stanford University in 1999.

Alejandro Emilio Marchionna Faré. Born on February 1, 1957, he has been a regular TGLT board member since 2009. He is a board member at Integra Negocios S.A. and Chairman of the Fundación Andes Management Council. Currently, Mr. Marchionna is an independent consultant and university teacher. Having been a strategy consultant for the last twenty-five years, he carried out his activities at the consulting companies Integra Negocios and Serra Consulting (Buenos Aires; The Fare Partners, Fenlane, and Towers Perrin (London), and Telesis (Paris). Among other academic activities, he is the professor for course, "Designing Business Plans and Marketing Plans" in the Specialty of Marketing and Competitiveness of the Faculty of Economics at UBA; the professor of "Company Policy", and "Applied Strategy" in the MAE of the UNR; a guest professor for the course, "Corporate Governance" at the

IAE, and academic director of the DEC-Director de Empresas Certificado Program offered jointly by ADE and IGEP. Mr. Marchionna has a degree in Operational Research and as an Industrial Engineer from the Universidad Católica Argentina. He obtained a Master in Business Administration at Harvard University.

Aldo Raúl Bruzoni. Born on March 30, 1950, he has been an alternate TGLT board member since 2009. Mr. Bruzzoni is a regular board member of Telecom Personal. Since 2004, he has worked as an independent consultant, providing consulting services to companies in the local and European automobile industries. Additionally, he is a part-time brand manager of Volvo and Land Rover for Viel Automotores. From 1969 to 2004 he has filled various positions at General Motors Argentina, Ford Motors Argentina, Autolatina Argentina, Nuevo Cómputo (Dacia), and Renault Argentina. Mr. Bruzzoni has a degree in Business Management and graduated from Universidad Argentina de la Empresa in 1976.

Fernando Gallino. Born on July 19, 1970, he has been TGLT Finance Manager since September, 2009. Before joining the company, Mr. Gallino was Finance Manager of the Sadesa group in Argentina, and was directly responsible for Central Puerto, S.A., Hidroeléctrica Piedra del Águila S.A., Centrales Térmicas Mendoza S.A., La Plata Cogeneración S.A., Proener S.A., and Operating S.A. He has a degree in Economics from the Universidad Católica Argentina and has a Master in Finance from the Universidad del CEMA and a Master in Business Administration from Kellogg, Northwestern University, in Chicago.

Rodrigo Lores Arnaiz. Born on April 29, 1971, Mr. Lores Arnaiz is the Processes, Systems and HR Director at TGLT. He is also an alternate director on the board of Maltería del Puerto S.A. Before joining TGLT he was Senior Manager at Accenture in the strategic consulting team for customers in the mass consumption sector in Argentina and Chile. He also worked for 5 years as an accountant with the Audit and Business Advisory Division at Arthur Andersen. Mr. Lores Arnaiz earned his MBA at the Wharton School of Business, where he graduated in Strategic Management and Finance. He is a certified public accountant graduated with honors at Universidad de Buenos Aires.

Frederico Marinho Carneiro Da Cunha. Born on April 18, 1977, he is the Development and Operations Manager at PDG Realty. Previously, he was a member of the real estate investment team for Banco Pactual. Before joining Banco Pactual in 2005, he worked in real estate development and investments at Banco BBM, Banco Modal, and Banco Fibra. Currently, he is a board member at Goldfarb and at CHL. He is a partner at the Brazilian Institute of Finance Executives – IBEF. Mr. Carneiro is a civil engineer and graduated from the Río de Janeiro Universidad Católica, PUC-RJ.

João Miguel Mallet Racy Ferreira. Born on November 29, 1979, he is the Manager of Finance at PDG Realty. He also sits on the Board of PDG Securitizadora and a partner at the Brazilian Institute of Finance Executives – IBEF. Previously he was a member of the real estate investment team at Banco Pactual, begun by PDG and participated in over 30 private equity interests. Mr. Ferreira graduated and has a degree in Management from Universidade Federal de Rio de Janeiro.

Marcus Vinicius Medeiros Cardoso de Sá. Mr. Sá is the Operations Manager at PDG Realty and a partner at the Brazilian Institute of Finance Executives – IBEF. Previously, he was the partner in charge of transactions at Banco Pactual from 1994 to 2006, and in 2006 he was appointed Operations Manager for Banco UBS. He has a degree in Economy from Universidad Federal Fluminense and an MBA with a specialization in Finance from IBMEC.

Osvaldo Giménez. Born on October 27, 1970, he is the Senior Vice President of MercadoPago and manages MercadoPago for all of Latin America. Osvaldo joined MercadoLibre as Country Manager of Argentina, Chile, and Uruguay in 2000 and filled that position until he was promoted to his current position in February, 2004. Before joining MercadoLibre, Osvaldo worked as an associate consultant in Booz Allen Hamilton in projects entailing strategy and organizational efficiency for clients in industries with mass consumption, financial services, and food products in Latin America and the United States. He also worked in the fixed income department at Santander Investment in New York. Osvaldo obtained his MBA at Stanford University and graduated as an Industrial Engineer from Instituto Tecnológico of Buenos Aires.

Cynthia Lorena Vatrano Natale. Born on June 16, 1976, in 2006 she joined the firm of Segal, Turner & Asociados as an associate, where she worked in the Corporate and Transaction Law department. She graduated from the Faculty of Law of Universidad Católica Argentina and obtained a Master in Corporate Law at Universidad Austral.

Our shareholders set the remuneration paid to our board members, including their salaries and any additional salary derived from permanent execution by the board members of any administrative or technical functions. Remuneration of our board members is within the parameters set by the Law on Business Corporations and CNV regulations. Any remuneration paid to our board members must first be approved at an ordinary shareholders' meeting. Amounts to be paid the Members of the Board cannot exceed the limits set forth in Article 261 of the Law on Business Corporations, unless expressly authorized by a meeting of shareholders having previously addressed the issue as a special point of the Agenda.

Management

TGLT stands out because its corporate culture is characterized by (i) its entrepreneurial dynamism, (ii) focus on results based on a merit system, (iii) team work and (iv) an integrating vision.

From the start the Company has been led by Federico Weil, the General Manager. Since its establishment, the Company has gone through a process of recruiting executives for the purposes of having more qualified professionals to fill their areas of responsibility. As a result of this strategy, TGLT has executive staff with marked experience and a clear objective to build and develop the Company's planned growth.

The administration of the Company's activities and the implementation of corporate objectives is conducted by top management, which reports directly to the chairman. The chairman appoints top management.

The following table shows information about the top management that is currently serving the Company:

Name	Position	Date appointed
Federico Weil	General Manager	September 20, 2005
Rafael I. Soto (*)	Finance Manager	February 28, 2012
Alejandro Belio	Operations Manager	January 18, 2010
Rodrigo Lores Arnaiz	Processes, Systems and HR Manager	July 17, 2006

(*) On February 28, 2012, Mr. Fernando Gallino, who was Financial Director since September 1, 2009, tendered his irrevocable resignation to said position. On the same date, Mr. Rafael I. Soto was designated to fill said position, ad-referendum of the Board's decision.

Alejandro Belio. Born on April 28, 1956, Mr. Belio has been the Operations Manager since January, 2010. Before that, he was the General Manager of Faena Properties S.A. He was also the General Manager of Creaurban S.A., Project Manager for Fundación Malecón 2000 (Guayaquil, Ecuador), Head of the Lain/OHL Construction Works Group (Barcelona, Spain), and Project Manager at Graziani S.A. He is an architect who graduated from Universidad de Buenos Aires in 1979, obtained an MBA in Universidad del CEMA, and completed the IAE Executive Management Program.

Rafael I. Soto. Born on November 7, 1980, Mr. Soto is the Finance Director of TGLT since February 2012. He previously worked as Planning and Investor relations Manager at TGLT. Before joining TGLT in 2009, he worked in the investment banking division of Credit Suisse in New York. He also worked in finance and capital market positions in BBVA Banco Francés and Telefónica de Argentina. Rafael is an Economist graduated from Universidad de San Andrés and earned his MBA at the Harvard Business School. He is also a Chartered Financial Analyst with the CFA Institute.

See Board of Directors section for background on Federico Weil and Rodrigo Lores Arnaiz.

Our remuneration policy aims at attracting, retaining, and promoting highly-qualified professionals, as well as aligning their interests with those of our shareholders by means of variable remuneration systems based on the achievement of financial and operational goals, and an options plan. Our top management perceives a fixed amount as per its background, capabilities, and experience, and an annual bonus that varies depending on individual performance and our results. In October, 2009 the TGLT Board of Directors approved a variable compensation scheme for board members and employees in accordance with the Company's development and growth. Each year an amount of the Company's profits will be allotted toward variable compensation for the board members or employees determined by the Board of Directors, for the amounts which the Board assigns each one at the moment they are appointed.

Supervisory Commission

Our Supervisory Commission is responsible for reviewing and supervising our management and matters and verifying fulfillment of the articles of incorporation and decisions adopted at shareholders' meetings. The members on the Supervisory Commission are appointed at the annual ordinary general shareholders' meeting for a period of 3 fiscal years.

Following is the current composition of our Supervisory Commission, the members of which were elected at the annual ordinary and special shareholders' meeting held October 30, 2009 and at the annual ordinary and special shareholders' meeting held February 19, 2010:

Name	Position	Profession	Type
Ignacio Fabián Gajst	Trustee	Public Accountant	Regular
Silvana Elisa Celso	Trustee	Public Accountant	Regular
Javier Errecondo	Trustee	Attorney	Regular
Romina Paola Minujin	Trustee	Public Accountant	Alternate
Aurelia Petrona Vargas	Trustee	Public Accountant	Alternate
Santiago Dellatorre	Trustee	Attorney	Alternate

The members on the Supervisory Commission qualify as independent members in accordance with Resolution No. 400/2002 by the CNV. Likewise, Messrs. Gajst, Celso, Minujín and Vargas qualify as independent members in accordance with the criteria set forth in Technical Resolution No. 15 of the F.A.C.P.C.E.

Following are the main attributions and duties of the Supervisory Commission:

- Inspecting management of the company, for which purposes it reviews the books and documentation at least once every three months;
- Checking availability and securities, as well as obligations and fulfillment of the same. It may also request that balance sheets are put together for verification purposes;
- Attending board meetings, executive committees, and shareholders' meetings without being entitled to vote;
- Ensuring that the board members furnish and maintain the relevant guarantee to the Company's benefit;
- Submitting a written, well-founded report to the general Shareholders' Meeting regarding the corporation's economic and financial situation, pronouncing itself regarding the annual report, financial statement, and income statement;
- Submitting information to shareholders who represent no less than 2% of the capital regarding matters in which they are involved, whenever they request it;
- Calling extraordinary shareholders' meetings when deemed necessary, and ordinary or special shareholders' meetings when the Board of Directors has failed to do so;
- Including the points deemed relevant on the agenda for shareholders' meetings;
- Checking that corporate bodies fulfill the law, articles of incorporation, the regulation, and decisions made at shareholder meetings;
- Inspecting the corporations liquidation; and
- Investigating complaints submitted in writing by shareholders who represent at least 2% of the capital.

Investor Relations

With the object of obtaining adequate valuation of TGLT stock on the money markets, the Company maintains continuous open dialogue with the investor community and seeks to provide transparent information for adequately assessing its activities.

In addition to fulfilling the reporting requirements set forth by the National Securities Commission and the Buenos Aires Stock Exchange, the Company maintains a website dedicated to investor relations (www.tglt.com/ri for its Spanish version, www.tglt.com/ir for the English version and www.tglt.com/ri_pt for the Portuguese version), it issues press releases concerning relevant facts, it drafts communiqués for issuing its results and conducts phone conferences that are open to investor community participation upon publishing its financial statements or exceptionally relevant facts. It also participates in investor conferences and conducts regular meetings with current or potential investors. Investors may communicate with the Company at the following phone number: +54-11-5252-5050, or by e-mail at inversores@tglt.com for further information.

XIV. DIVIDEND POLICY

Currently, the Company does not plan on establishing a formal policy regarding dividends and the amounts of the same, or other partial payments.

The Company does not contemplate distributing dividends within the next three or four years, as it intends to reinvest all the earnings generated by its line of business for the purposes of financing its profit growth and enabling value-generation for its shareholders.

In accordance with its Articles of Incorporation and the Law on Business Corporations, the Company may include one or more dividends in its statements for any fiscal year, and according to Article 224, paragraph two of the Law on Business Corporations, it may even pay dividends in advance on the clear profits earned and accredited in the Company's consolidated balance sheet put together in accordance with Argentine GAAP and CNV Regulations on the last day of said fiscal year, or in special consolidated balance sheets when dealing with advance or provisional installment payments, stipulating that such dividends must be paid proportionately to each of the Company's ordinary shareholders on the relevant date of registry.

All of the Company's capital shares will be equal as far as dividend payments.

XV. OUTLOOK

During 2012, the Company expects to continue developing and selling launched projects. The company has 824 units pending for sale in launched buildings, which sale will be accompanied by various different marketing activities: direct contact with prospects or current customers of the company, showrooms, events, newspaper, magazine and billboard advertising, etc. In this sense, the Company expects to begin formal operations with a dedicated TGLT broker, who will offer all TGLT projects jointly from a central office and the showrooms of each of our projects.

In addition to buildings launched over the previous years, TGLT expects to launch sellable units this year with PSV of US$ 325-375 million, as per the guidance informed to the market last December. These amounts include both buildings in projects that are already in our portfolio, as well as others to be acquired over the course of the year. in relation to the former, we contemplate launching buildings or new phases in the Astor Caballito, Forum Puerto del Buceo, Venice and FACA projects, totaling slightly over half of the commitment for the year, which percentage would vary depending on how sales progress in the same projects, the success of which could accelerate the launch of subsequent stages, or the opposite. The remainder will be comprised of projects to be developed on land now being identified, negotiated or closed, the purchase of which will be advised to the shareholders and the investor community if and when applicable.

Growth in Company resources, both human as well as physical and technological, will support TGLT in its expansion efforts. The incorporation of new technologies, in particular the definitive implementation of the new *Enterprise Resource Planning* system and attainment of scale performance when managing our operations will assist us in achieving increasingly higher efficiency and productivity in their use.

Likewise, to underpin our projected growth level, we expect to attract additional financing from new loans for construction at the project level, as well as corporate financing through bank credit facilities and issuing debt securities, as approved at the Shareholders' Meeting held on December 20, 2011. We do not rule out the possibility that, toward the end of the year, and to the extent growth opportunities not hitherto identified and the value of the share so advise, the company could try to increase its capital in a new public equity offering.

XVI. ACKNOWLEDGMENTS

We wish to express our thanks to suppliers, clients, banking institutions, professionals, and personnel for their cooperation and the support they've provided us time and again.

Autonomous City of Buenos Aires, March 8, 2012.

THE BOARD OF DIRECTORS

TGLT S.A.

ANNUAL REPORT AND OVERVIEW

YEAR ENDED AS OF DECEMBER 31, 2011

EXHIBIT
REPORT ON CORPORATE GOVERNANCE CODE

GENERAL RESOLUTION CNV No. 516/07
OF THE NATIONAL SECURITIES COMMISSION

I. SCOPE OF APPLICATION

1) Relation between the Issuer and its Corporate Group.

During the business year ended on December 31, 2011 and until the date of this report, the Company has not entered into operation with related parties. Nevertheless, and as provided in Article 73 of Law No. 17,811 (as per the text of Decree No. 677/01 and Decree No. 1020/03) and the Regulations of the National Securities Commission, in the assumption that the Company conducts operations with related parties for relevant amounts so requiring, they shall rely on the prior determination of the Audit Committee, which will be comprised by a majority of independent directors.

Likewise, all operations and their balances with subsidiaries and related parties are included in notes to the quarterly and annual financial statements prepared by the Company.

2) Inclusion in Articles of Incorporation.

The Articles of Incorporation of the Company contain all the references currently required by applicable laws and regulate how the Audit Committee works. Also, the Company has general policies and specific procedures to ensure the loyalty and diligence of its managers and employees. For this reason, the Company understands that no amendments are needed to its articles of incorporation.

The Articles of Incorporation do not contain rules that require directors to report on their personal interests related to decisions that are referred to their consideration. The Company understands that their inclusion is not necessary since the provisions of articles 272 and 273 of Law 19,550 on Business Corporations apply, as amended from time to time (the “LSC”).

II. ON THE BOARD OF DIRECTORS GENERALLY

3) In Charge of Company Strategy.

The Board takes on the management of the Company diligently and prudently in accordance with the “good businessman” standard provided in the LSC. In this sense, it approves the policies and general strategies in accordance with the circumstances the Company may be going through.

Matters related to the management of the Company, such as its general policies and strategies, and in particular its strategic or business plan, as well as the annual management and budget targets, investment and financing policies, the Report on the Corporate Governance Code, control and risk management policies, are defined by the Board of the Company, which entrusts the management team with their implementation. The Board of the Company meets regularly to check that the entrusted strategies and policies are being implemented in order to attain the objectives that have been established in the best interest of the Company.

At those meetings, directors check whether the annual budget is being met and any other relevant events are analyzed.

The Board receives from the Administration and Finance Division a monthly management report on relevant events, with a progress report as to budgeted levels, operation, economic and financial indicators of the Company, analyzing how strategies and management policies provided by the Board are implemented, also discussing matters related to the management and administration of the Company within the sphere of competence of that body.

4) Management control.

The Board sees to the adequate implementation of strategies and policies. It likewise controls how the Company’s management team and organizational structure perform and significant procedures relating to the internal control system, also analyzing relevant contracts and granting powers of attorney, all consistent with the regulatory standards and provisions applicable to the activity, in the best interests of the Company.

In compliance with the Law on Business Corporations and the rules of the National Securities Commission, the disclosure of the financial results and their discussion, the applicable regulatory framework and its consequences or potential effects, and the business outlook, among other aspects, ad dealt with regularly and disclosed when each quarterly balance sheet of the Company is issued, in the document known as Informative overview, and yearly in the Annual Report the Board issues to its shareholders.

5) Information and internal control; Risk management.

The Board approves risk control and management policies and all policies intended to conduct a regular follow-up on information and control systems. In relation to the internal control system, various functions and duties have been designed, which combined provide adequate assurance that current laws and provisions will be complied with correctly, that financial information is reliable and that operations and effective and efficient. Regular internal controls on procedures and risk assessment are conducted, from which recommendations or observations could arise which may eventually be applied or implemented in the relevant areas, providing progress reports and results.

6) Audit Committee.

The Company's Articles of Incorporation, pursuant to Decree No. 677/01, incorporated a clause (Article Twelve of the Articles of Incorporation) that regulates the creation and operation of the Audit Committee. The Audit Committee is comprised of 3 regular members and 3 alternates, most of whom are independent; all members are nominated and designated from among the directors appointed at the Regular Shareholders' Meeting, by a simple majority of the Board. The Chairman and Vice Chairman of the Audit Committee are designated by a simple majority of the members of the Audit Committee.

7 to 9) Number of Board members; Structure of the Board; Belonging to different companies.

Article Seven of the Articles of Incorporation provides that the direction and management of the Company will be under the responsibility of a Board of Directors comprised of eight members who serve over a 3-year term of office. The Company also complies with the requirements of Decree No. 677/01 in relation to independent directors, and to date it has two regular independent directors and two alternates. Consequently, the Company feels that the provisions of the Articles of Incorporation in relation to the number of directors are adequate for its structure. The Company has no policy in relation of former executives sitting on the Board and for the time being it feels this is unnecessary. The Company has just recently been formed and has no high-ranking former executives who have left the company and who may join the board of directors. The members of the Board have no limitations against participating in the boards of other companies. Moreover, the Company benefits from the experience of directors who serve in other companies, but seeking that they should have limited responsibilities in those other companies so as to act as directors of TGLT efficiently. In turn, if there arises any conflict of interest, the directors must report it as provided in articles 272 and 273 of Law 19,550.

10) Evaluation of Board Performance.

The Board does not customarily evaluate its performance since this is approved by the shareholders in accordance with the LSC. The Board prepares the Annual Report every year, which includes an evaluation of results obtained. Board resolutions are evidenced in the book of minutes kept by that body, and they reflect its performance as far as management and direction is concerned. The Board considers this practice to be adequate and does not plan to implement the self-evaluation recommendation as of now.

11) Directors' training and development.

Directors have been elected owing to their considerable specialization and knowledge, which is why the Company has still not established a training program for its members and management executives. However, the Company plans to establish training programs and courses for its directors and management executives in the short term to maintain and refresh their knowledge and skills, and improve the efficiency of the Board as a whole.

III. INDEPENDENT DIRECTORS

12) Independent Directors. 14) Proportion of Independent Directors. 15) Meetings of Independent Directors.

The Company has complied with the provisions of Decree No. 677/01 in relation to independent directors. All the directors are designated by the shareholders' meeting and their personal background and independent capacity (if applicable) are advised to the shareholders at the meeting and to the national Securities Commission by submitting the requisite affidavits. For this reason, the Company feels it is unnecessary to publish additional material regarding their designation or the reasons that prompted the same. Likewise, the number of independent directors allows for the structure required by Decree No. 677/01 for the Audit Committee to function, and therefore the Company understands that it is reasonable for its structure and that no amendments are required to the Articles of Incorporation. Also, the Articles of Incorporation provide that the Audit Committee will be comprised of three members, and most of these must be independent. All the independent members of the Board are part of the Audit Committee, which meets at the intervals established by current regulations or at the behest of any of its members, there being n impediments for them to hold separate meetings if deemed convenient.

13) Designation of Management Executives.

Management executives are designated on the basis of their professional and technical experience and they must be approved by the Board. The Board advises on these appointments through the means indicated by the National Securities Commission and understands that said publication constitutes sufficient disclosure, and the reasons for their appointment need not be published.

IV. RELATIONS WITH SHAREHOLDERS

16) Information to Shareholders. 17) Addressing Shareholders' Questions and Concerns.

The Company feels it provides adequate information on its activities and complies with the reporting duties required under current regulations. In order to adequately value the TGLT share in the capital markets, TGLT maintains an ongoing and open dialogue with the investor community and tries to provide transparent information to correctly evaluate the activities of the Company. In addition to complying with the reporting duties imposed by the national Securities Commission and the Buenos Aires Stock Exchange, the Company has a website dedicated to investor relations (www.tglt.com/ri in Spanish and www.tglt.com/ir in English), issues press releases in case of any relevant event and conducts open conference calls in which the investor community may participate when it releases its financial statements or upon occurrence of exceptionally relevant events. It also takes active part in investor conferences and holds regular meetings with current or prospective investors. Investors may contact the Company phone at +54-11-5252-5050 or by e-mail at inversores@tglt.com to request additional information.

The Company makes available to its shareholders, sufficiently in advance of the respective shareholders' meetings, the documentation on the Financial Statements, Audit Committee reports and other information required under the regulations applicable to publicly-held corporations.

The Company has a Market Relations Officer in charge of referring the questions and concerns of the shareholders and investors.

Consequently, the Board feels that the shareholders' information needs are adequately addressed through the above mechanisms.

18) Participation of Minority Interests at Shareholders' Meetings.

The Company has adopted all requisite measures set out in the LSC to encourage the presence of shareholders at their meetings, both for majority as well as minority interests. Calls to general shareholders' meetings are issued through advertisements in the Official Gazette of the Argentine Republic, in the Buenos Aires Stock Exchange Bulletin, in the Financial Information Highway of the National Securities Commission, and in a nationwide newspaper, and therefore the call to meeting is widely disseminated in accordance with current laws and regulations, on every occasion. Consequently, the Board feels it unnecessary to adopt any additional measures.

19) Control Market.

The Company is a "Company not adhering to the Optional Bylaws Treatment under Binding Tender Offers" pursuant to Article 24 of Decree No. 677/2001. The treatment included in the regulations of the National Securities Commission is an adhesion treatment that cannot be modified to suit the specific needs of the companies. For this reason, the Company provided, in Article Fourteen of the Articles of Incorporation, a treatment similar to the Optional Bylaws Treatment under Binding Tender Offers set out in Article 24 of decree No. 677/2001 triggered upon acquisition of a "relevant interest," i.e. equivalent to more than 40% (forty percent) of the voting stock and/or votes of the Company. The Board feels there are no reasons at present to suggest any reconsideration of this point.

20) Dividend Policy.

The Board of Directors of the Company establishes and files a motion with the Shareholders' Meeting regarding the convenience, timing and amount of dividends to be distributed, as well as, if applicable, the capitalization of annual profits, when submitting its proposal for the distribution of profits/losses to the Shareholders' Meeting, in light of how the businesses and commitments undertaken by the Company have progressed and are being projected into the future.

The Company does not have and does not plan to establish an official policy of dividends in the near future to govern the amount and payment of dividends or other apportionments.

The Company does not plan to distribute any dividends within the next three to four years since it intends to reinvest all the profits earned through its business to finance earnings growth and allow for value to be generated for its shareholders.

According to its Articles of Incorporation and the LSC, the Company may declare one or more dividends within any one business year, and even pay anticipated dividends pursuant to Article 224(ii) of the LSC, out of realized net earnings as shown in the consolidated balance sheet of the company prepared in accordance with Argentine GAAP and the Regulations of the National Securities Commission as of the last day of that business year, or in special consolidated balance sheets in the case of anticipated or interim dividends, providing that such dividends must be paid ratably to all the holders of common stock of the Company as of the pertinent record date.

All shares in the capital stock of the Company rank *pari passu in* relation to the payment of dividends.

V. COMMUNITY RELATIONS

21) Communications via internet. 22) Website requirements.

The Company has its own open-access website (www.tglt.com) to provide various types of information to its users. It includes institutional information as well as information on business units and investor information, and also main developments at the Company. The site includes security measures consistent with usual practices for companies of comparable size and characteristics, and it is designed to ensure data reliability and completeness.

VI. COMMITTEES

23) Committee chaired by an Independent Director.

The Chairman of the Audit Committee must be an independent director, as recommended by General Resolution No. 516/07 of the National Securities Commission.

24) Rotation of Examiners and External Auditors.

The Company has no specific policies in regard to the rotation of the members of the Supervisory Commission and the External Auditors. Merely complying with the statutory rules guarantees their continued independence and integrity, and therefore the Board feels there is no need to introduce changes on this issue. As to the rotation of the Company's External Auditors, it complies with the Standards that require the partner in charge of external audit tasks to be rotated every (5) years. This obligation is not made extensive to the auditing firm per se. The Company understands that it adheres in part to these requirements.

As regards evaluating the fitness, independence and performance of the external auditor, the Company is fully compliant with the Standards set out in this respect. Whenever the Board prepares to file a proposal with the Shareholders' Meeting in relation to the appointment of the External Auditors, the Audit Committee issues as Report on the same in accordance with current regulations and does likewise in its Annual Report as to whether it has become aware of any matter of relevance that must be mentioned in relation to the auditors' independence. In this sense, the Company is of the opinion that the members of the Supervisory Commission and the External Auditors are persons of significant renown. The auditors of the Company, Adler, Langdon, Hasenclever & Asociados, a member of Grant Thornton International, are widely renowned both nationally and internationally owing to the superior quality standards they apply in their work.

25) Dual Examiner/Auditor role.

The Company fully adheres to the recommendation, as the Board of the Company feels it is unadvisable that the members of the Supervisory commission should also act as External Auditors or belong to the firm that provides those services. This point was and will be considered whenever they are appointed.

26 to 27) Compensation Systems; Remunerations, Appointments and Corporate Governance Committees.

In relation to these issues, we wish to mention that: (i) the compensation payable to all employees is determined on the basis of market studies conducted among top-level companies, ensuring that the Company will maintain competitive levels consistent with its size, and the Audit Committee considers the fees paid to the Directors reasonable; and (ii) the Chairman of the Board participates in the appointment of key executives on the basis of their knowledge, fitness and experience. Consequently, the Board feels it is unnecessary to create the committees mentioned in the title above for the moment. To date, the Company does not have a remunerations committee. The remuneration to the Board is determined by a resolution issued by the Regular Shareholders' Meeting.

Elsewhere, on December 10, 2010, the Board has created a Management Committee for the "Company Employees, Executives and Directors Options Plan" approved by the Board on that same date, as per the guidelines established by the Shareholders' Meeting held on October 30, 2009.

28) Nondiscrimination policy in the structure of the Board.

The Company has adopted specific provisions to prevent any discriminatory practices, and the same apply throughout the entire organization, including the Board of Directors.

Finally, please be advised that, notwithstanding the statements made in each of the points required by General Resolution No. 516/07 of the National Securities Commission, the Company is firmly committed to progressively incorporating new good corporate governance guidelines as well as to reinforce the practices previously adopted.

CONSOLIDATED FINANCIAL STATEMENTS

TGLT S.A.

AS OF DECEMBER 31, 2011 AND 2010

TGLT S.A.

Legal Address: Av. Scalabrini Ortiz 3333 – 1st Floor
Autonomous City of Buenos Aires

7TH BUSINESS YEAR BEGUN ON JANUARY 1, 2011

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011

SHOWN ON A COMPARATIVE BASIS

Main line of business of the Company: Project management and real estate enterprises, urban development; planning, evaluation, scheduling, designing, development, implementation, management, coordinating, supervising, making arrangements, organization, direction, and execution in handling the business associated with real estate; the beneficial use of brands, patents, methods, formulas, licenses, technologies, know-how, models, and designs, and marketing in all its forms.

Date of registry at the Corporate Records Office:

- Of the articles of incorporation: June 13, 2005
- Of its last modification: May 3, 2010 (Note 9 to the individual financial statements)

Registration number at the Corporate Records Office: 1,794,929

Expiry date of the articles of incorporation: June 12, 2104

Tax ID No.: 30-70928253-7

Information on the subsidiary companies: See the breakdown in Exhibit "C" for the individual financial statements.

Structure of Corporate Equity
(Note 6.)
(figures in pesos)

Shares	Issued, subscribed, and paid	Registered
Common, book-entry voting shares with a Par Value (P.V.) of $ 1	70,349,485	22,350,000
	70,349,485	22,350,000

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

TGLT

TGLT S.A.

CONSOLIDATED BALANCE SHEET

AS of December 31, 2011, AND DECEMBER 31, 2010

(figures in pesos expressed as described in Note 3.1.)

		Dec 31, 2011 Pesos	Dec 31, 2010 Pesos
ASSETS			
Current assets			
Cash and banks	Note 5.a	11,536,261	170,236,988
Short-term investments	Exhibit C	65,511,195	7,722,343
Trade receivables	Note 5.b	8,551,085	-
Other receivables	Note 5.c	28,648,342	10,715,944
Inventory	Note 5.d	278,530,330	-
Total current assets		392,777,213	188,675,275
Noncurrent assets			
Other receivables	Note 5.c	19,481,776	14,143,866
Inventory	Note 5.d	635,529,058	484,840,279
Fixed assets	Exhibit A	858,789	334,598
Intangible assets	Exhibit B	766,345	227,133
Subtotal of non-current assets		656,635,968	499,545,876
Goodwill	Exhibit B	38,908,915	34,777,969
Total noncurrent assets		695,544,883	534,323,845
Total assets		**1,088,322,096**	**722,999,120**
LIABILITIES			
Current liabilities			
Trade payables	Note 5.e	46,568,605	22,531,080
Loans	Note 5.f	30,747,267	677,293
Wages and social security contributions	Note 5.g	2,370,807	790,019
Taxes payable	Note 5.h	7,033,300	6,842,023
Customer advances	Note 5.i	188,982,769	-
Other liabilities	Note 5.j	25,216,707	-
Total current liabilities		300,919,455	30,840,415
Noncurrent liabilities			
Trade payables	Note 5.e	44,465,033	385,237
Loans	Note 5.f	33,515,044	12,000,000
Taxes payable	Note 5.h	5,405,022	406,420
Customer advances	Note 5.i	277,372,003	227,322,697
Total noncurrent liabilities		360,757,102	240,114,354
Total liabilities		**661,676,557**	**270,954,769**
Minority interests		13,313,905	16,399,743
SHAREHOLDERS' EQUITY		**413,331,634**	**435,644,608**
Total liabilities, minority interests and shareholders' equity		**1,088,322,096**	**722,999,120**

Notes 1 to 21 and Exhibits A, B, C, F, G, and H hereto are an integral part of these consolidated statements.

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory
Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

TGLT S.A.

CONSOLIDATED INCOME STATEMENT

FOR THE YEARS ENDED AS OF DECEMBER 31, 2011, AND 2010

(figures in pesos expressed as described in Note 3.1.)

		Dec 31, 2011 Pesos	Dec 31, 2010 Pesos
Income from goods sold and services rendered	Note 5.k	32,144,147	206,162
Cost of goods sold	Exhibit F	(13,801,757)	-
Cost of services rendered	Exhibit F	(16,017,964)	(139,696)
Gross profit		**2,324,426**	**66,466**
Income from valuation of inventory at net realization value	Note 11	34,516,581	(1,302,218)
Sales expenses	Exhibit H	(10,252,833)	(2,911,443)
Administrative expenses	Exhibit H	(11,055,019)	(9,418,956)
Operational results		**15,533,155**	**(13,566,151)**
Long-term investment results		-	(513,271)
Other expenses	Exhibit B	(70,422)	(64,578)
Goodwill depreciation	Exhibit B	(5,958,220)	2,255,462
Financial and holding revenue, net	Note 5.k		
Generated by assets		18,808,132	(1,098,032)
Generated by liabilities		(37,915,360)	(11,993,025)
Other revenue and expenses, net	Note 5.l	3,241,409	1,285,014
Period income before Income Tax		**(6,361,306)**	**(23,694,581)**
Income Tax	Note 4	(10,222,664)	3,671,670
Minority interests		(5,095,175)	847,117
Period results		**(21,679,145)**	**(19,175,794)**

Results per common share		
Base	**(0.31)**	**(0.27)**
Diluted	**(0.31)**	**(0.27)**

Notes 1 to 21 and Exhibits A, B, C, F, G, and H hereto are an integral part of these consolidated statements.

Signed for identification purposes
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TGLT

TGLT S.A.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEARS ENDED AS OF DECEMBER 30, 2011, AND 2010

(figures in pesos expressed as described in Note 3.1.)

	Dec 31, 2011 Pesos	Dec 31, 2010 Pesos
CASH FLOW VARIATIONS (1)		
Cash flow at start of period	177.959.331	12.825.519
Cash flow at close of period	77.047.456	177.959.331
Net cash flow increase (decrease)	(100.911.875)	165.133.812
REASONS FOR CASH VARIATIONS		
Operational activities		
Mid-term results	(21.679.145)	(19.175.794)
Income Tax	10.222.664	(3.671.670)
Adjustments for arriving to the net cash flow from operational activities		
Fixed asset depreciation	352.385	191.178
Income from long-term investment	-	513.271
Amortization of intangible assets	70.422	64.578
Income from sale of stock	(1.517.336)	747.105
Residual value of retired intangible assets	-	12.000
Goodwill depreciation	5.958.220	(2.255.462)
Accrued unpaid exchange rate difference, net	458.653	3.480.018
Income from valuation of inventory at net realization value	(34.516.581)	1.302.218
Minority interest	5.095.175	(847.117)
Changes in Operational Assets and Liabilities		
Increase (decrease) in trade payables	(8.551.085)	973.729
Increase in other payables	(23.270.308)	(13.149.001)
Increase in inventory	(353.021.173)	(168.509.817)
Increase in trade payables	68.117.321	18.719.230
Increase in salaries and social security	1.580.788	295.284
Decrease in taxes payable	(5.032.785)	(2.501.347)
Increase in customer advances	239.032.075	126.966.354
Increase in other liabilities	7.488.942	-
Net cash flow used in operations	**(109.211.768)**	**(56.845.243)**
Investment activities		
Increase in goodwill	11.359	-
Payments for purchase of intangible assets	(609.634)	(168.668)
Payments for purchase of fixed assets	(876.576)	(215.928)
Increase in interest in other subsidiaries	17.423.885	(212.257.198)
Payment of equity purchases in subsidiaries	(64.716.346)	-
Collection on sales of shares in subsidiaries	13.663.200	-
Net cash flow from investing	**(35.104.112)**	**(212.641.794)**
Financing activities		
Owners' contributions	-	426.213.690
Increase in loans	51.585.018	8.407.159
Variation in minority interest	(8.181.013)	-
Net cash flow from financing	**43.404.005**	**434.620.849**
NET CASH INCREASE (DECREASE)	**(100.911.875)**	**165.133.812**

(1) Cash: equivalent to cash and banks and temporary investments maturing within 3 months.

Notes 1 to 21 and Exhibits A, B, C, F, G, and H hereto are an integral part of these consolidated statements.

Signed for identification purposes
with our report dated March 8, 2012
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Chairman of the Board

Note 1 Purpose of consolidated financial statements

On October 30, 2009, the Regular and Special Shareholders' Meeting of TGLT S.A. (the "Company") unanimously authorized entering the same into the public offering scheme in the country and/or on foreign markets which the Board of Directors determines, and the public offering and the listing of its shares with the National Securities Commission (C.N.V.) and the Buenos Aires Stock Exchange (B.C.B.A.), respectively, and/or on the foreign stock exchanges and/or self-regulated markets determined in due course by the Board of Directors.

On October 14, 2010, the C.N.V. issued its approval of Resolution No. 16,409 of September 8, 2010, whereby the Company has been authorized to make a public offering of up to 45,400,000 book-entry common shares, with the possibility of extending said offering up to 61,800,000 shares. In turn, on October 19, 2010, the B.C.B.A. issued the authorization for TGLT S.A's shares to be listed on the stock exchange.

On November 4, 2011, the Securities Commission of the Federal Republic of Brazil (Comissão de Valores Mobiliários or "CVM") granted TGLT S.A. open-company registration and approved the BDR Level II program (Brazilian Depositary Receipts). Also, BM&F Bovespa, Brazil's largest stock market, authorized BDR trading on its general screen. All common shares and ADRs of the Company are convertible into BDRs and vice versa.

These consolidated financial statements as of December 31, 2011, were drafted for the purposes of complying with the requirements of the C.N.V. and the B.C.B.A. within the framework of the public offering of its stock.

These consolidated financial statements are for the year period from January 1 to December 31, 2011. In accordance with the provisions set forth in Technical Resolution No. 8 issued by the Argentinean Federation of Professional Economics Boards (F.A.C.P.C.E.) on General Accounting Presentation Regulations, the Company submitted consolidated accounting information on its Balance Sheet compared with the last business year closed (December 31, 2010).

Note 2 Company business

TGLT S.A.'s main line of business consists in integrating all the roles associated with residential real estate development, such as: searching for and acquiring land, designing the products, marketing, sales, construction project management, purchasing consumables, aftersales services, and financial planning. The architecture and construction are outsourced to other companies, with which the Company has strategic relationships.

As of December 31, 2011, the Company participates in the following real estate projects individually and/or along with other investors:

Project	Location	Sellable area (m2)	Units	Units sold	Closed sales (*)	Advances received (*)	Balance receivable (*)
Forum Puerto Norte	Rosario, Santa Fé Bajo Belgrano, City of Buenos Aires	52,707	456	388	307,718,825	231,652,674	76,066,151
Forum Alcorta	Palermo, City of Buenos Aires	40,981	152	80	326,230,819	163,355,005	162,875,814
Astor Palermo	Caballito, City of Buenos Aires	14,449	210	101	91,573,747	47,400,991	44,172,756
Astor Caballito	Rosario, Santa Fé	30,064	500	25	10,942,578	10,942,578	-

(*) Figures in pesos, net of Value Added Tax.

Note 2 Company Business (continued)

Project	Location	Sellable area (m2)	Units	Units sold	Closed sales (*)	Advances received (*)	Balance receivable (*)
Astor Nuñez	Nuñez, City of Buenos Aires	20,317	298	25	21,270,616	8,331,748	12,938,868
Venice	Tigre, Buenos Aires	(**) 212,300	(**) 2,589	15	8,372,477	2,080,824	6,291,653
Forum Puerto del Buceo	Montevideo, Uruguay	(**) 40,000	(**) 258	16	26,458,154	150,640	26,307,514
"FACA" Project	Rosario, Santa Fe	(**) 121,580	(**) 1,095	-	-	-	-

(*) Figures in pesos, net of Value Added Tax.

(**) Estimated figures.

Note 3 Criteria for presenting consolidated financial statements

3.1 Effects of inflation

As of January 1, 2002, and in accordance with the provisions established by professional accounting standards, the restatement method (discontinued as from August 31, 1995) established in Technical Resolution No. 6, with the modifications introduced by Technical Resolution 19, both by the F.A.C.P.C.E., had been reinstated. On March 25, 2003 the National Executive Branch issued Decree No. 664, which stated that financial statements for periods closed as of said date were to be denominated in nominal values. Consequently, and in accordance with General Resolution No. 4/2003, issued by the Corporate Records Office (I.G.J.), the Company discontinued restatement of financial statements as of March 1, 2003.

In accordance with the above, the accounting information is presented in compliance with requirements established by current legal regulations, and therefore, the consolidated financial statements provide for the effects of restatement in a constant currency until February 28, 2003.

Had the comprehensive adjustment been performed to reflect the changes in the purchasing power of the currency established in the professional accounting standards currently in effect in the Republic of Argentina, and bearing in mind the provisions set forth in Resolution M.D. No. 41/2003 by the Argentinean Federation of Professional Economics Boards of the Autonomous City of Buenos Aires (C.P.C.E.C.A.B.A.), the changes in the currency's purchasing power as of September 30, 2003 ought to have been acknowledged. Said Resolution established that as of October 1, 2003, restatement in a constant currency was to be discontinued because the country has attained monetary stability.

The differences between the consolidated financial statements drafted in accordance with legal provisions and those drafted in accordance with professional accounting standards have not had a significant bearing on the consolidated financial statements in the terms established in Chapter 7 of Technical Resolution No. 16 by the F.A.C.P.C.E.

Note 3 Criteria for presenting consolidated financial statements (continued)

3.2 Presentation of consolidated financial statements

The Company's individual financial statements are consolidated with the financial statements for the year begun on January 1, 2011, and ended on December 31, 2011, of the following companies:

Company	Type of Control	Percentage interest (1)	Consolidation method
Canfot S.A.	Wholly-owned	90.91% (2)	Comprehensive
Pico y Cabildo S.A.	Wholly-owned	99.73% (2)	Comprehensive
Maltería del Puerto S.A.	Wholly-owned	75.00 % (3)	Comprehensive
Marina Río Luján S.A.	Joint	49.99% (4)	Proportional
Birzey International S.A.	Wholly-owned	100.00 % (5)	Comprehensive

(1) Direct and indirect interest. See Note 17.
(2) As a result of several transactions, the Company had become the sole shareholder as of June 30, 2011, of Canfot S.A. and Pico y Cabildo S.A. During the quarter ended as of September 30, 2011, the Company transferred 9.09% of its shares in Canfot S.A. in favor of Kondor Fund SPC – Kondor Properties Segregated Portfolio, and 3% of its shares in Pico y Cabildo S.A. to Canfot S.A. (See Note 17).
(3) See Note 12.2.
(4) See Note 12.4.
(5) Company acquired by TGLT S.A. in October 2011. Likewise, in November2011, Birzey International S.A. acquired 100% of the equity package in Miwok S.A. (see Note 17.5).

In accordance with the provisions set forth in General Resolutions Nos. 368/01 and 372/01 by the C.N.V., when consolidated financial statements are published they must be presented preceding the reporting Company's basic financial statements. This provision only means a change in the position of the consolidated information, and does not modify the fact that the main information is that contained in the basic financial statements and that the information contained in the consolidated financial statements is supplemental, in accordance with the provisions set forth in Law No. 19,550 on Business Corporations and professional regulations currently in effect.

Consequently, in order for these consolidated financial statements to be interpreted correctly, they must be read together with the Company's individual financial statements that are submitted following this consolidated information.

3.3 Applicable professional accounting standards

Consolidation of these financial statements has been performed in accordance with the provisions set forth in Technical Resolution No. 21 by the F.A.C.P.C.E.

In the consolidation of wholly-owned subsidiaries, the amounts invested in them and interests in their bottom-line results and cash flow are replaced by the total assets, liabilities, results and cash flow of the subsidiaries, separately reflecting third-party interests in said companies. In the case of the company which is under joint control, the amounts of investment in the subsidiary and the interests in its results and cash flow are replaced with the ratable share of the subsidiary's assets, liabilities, results and cash flow.

In both methods, the sums receivable and loans, and operations between entities of the consolidated group are eliminated in the consolidation. The profits (losses) originated by operations among members of the consolidated group excluding third parties and contained in the final asset balance are eliminated completely, unless said assets are measured according to current values determined on the basis of operations conducted with third parties.

In the case of Birzey International S.A. and its subsidiary Miwok S.A., they were classified as non-subsidiaries in accordance with the guidelines of point 1.1.b of Technical Resolution No. 18 of the F.A.C.P.C.E., converted into Argentine pesos as per point 1.3 of said Technical Resolution.

Note 3 Criteria for presenting consolidated financial statements (continued)

3.4 Adoption of International Financial Reporting Standards (IFRS)

Through General Resolution No. 562/09 dated December 29, 2009, titled "Adoption of International Financial Reporting Standards", and General Resolution No. 576/10, dated July 1, 2010, titled "Addendum to General Resolution No. 562," the C.N.V. established application of Technical Resolution No. 26 of the F.A.C.P.C.E. (as amended by Technical Resolution No. 29, approved by the F.A.C.P.C.E. on December 3, 2010), for certain entities included in the public offering system of Law No. 17,811, which adopts the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) for certain entities included in the public offering system provided for in Law No. 17,811, whether on account of their equity or debt securities, or because they have requested authorization to be included in said system. In fulfillment of these regulations, and in accordance with General Resolution 592/11 of October 24, 2011, as of the year starting on January 1, 2012, the companies that consolidate with the Company must include, in a note to the financial statements or in additional information, a reconciliation of their shareholders' equity and results determined in accordance with IFRS. This information is to be used by the Company to apply the proportional equity value method and for consolidation of their financial statements

On April 26, 2010 the Company's Board of Directors approved the "Formal Plan for Implementation of the International Financial Reporting Standards" which was submitted to the C.N.V. on April 30, 2010. Among other things, it establishes that implementation of the same is to be done in coordination with the Boards of Directors of the subsidiaries.

As of the date of these financial statements, the "Formal Plan for Implementing the International Financial Reporting Standards" was being implemented on schedule. Also, the Board of Directors of the Company was not aware of any circumstance that would necessitate any modifications to that plan or that would indicate any potential deviation from the established goals and dates.

Note 21 to the consolidated financial statements discusses the information required by Technical Resolution No. 26 of the F.A.C.P.C.E. in relation to the "Information on annual financial statements for the year preceding that in which IFRS are first applied."

3.5 Accounting calculation and presentation criteria

The main valuation criteria used to prepare these financial statements were the following:

a. Cash and banks

In local currency, at nominal values.

In foreign currency: It was converted at the exchange rate in effect at the close of the period applicable for settlement of the respective operations. The exchange rate differences were included in the results of the period. The respective breakdown is shown in Exhibit G.

b. Temporary investments

Fixed Term: valued at nominal value plus the applicable financial earnings accrued to the closing date of the period.

Mutual Funds: valued at the quotation value of the effective quota portion to the closing date of the period minus the direct sales costs.

Commercial Papers: a portfolio of unsecured notes issued by large foreign banks and corporations (U.S.), valuated at their respective trade value as of the closing date of the period, minus direct sales costs.

Note 3 Criteria for presenting consolidated financial statements (continued)

3.5 Accounting calculation and presentation criteria (continued)

b. Temporary investments (continued)

Investments in foreign currency were converted at the exchange rate in effect at the close of the period, for settlement of the respective operations. The exchange rate differences were included in the results of the period. The respective breakdown is shown in Exhibits C and G.

c. Receivables and payables

Trade and financial receivables and payables: those with independent parties have been valued at the cash price estimated at the time of each operation, plus the relevant financial portion accrued by the close of each period. Trade and financial receivables and payables with related parties have been valued at their nominal value plus the financial components accrued at the close of the period in cases when they were agreed upon.

Other receivables and payables: those with independent parties were valued based on the best possible estimate of the amount payable or receivable, respectively, discounted—when applicable—using the estimated rate at the moment of incorporation of the asset and liability. In cases where they do not differ significantly, they have been left at their nominal value. The various payables and receivables with related parties have been valued at their nominal value plus the financial components accrued at the close of each period in cases when they were agreed upon.

Customer advances: These are funds received as a result of selling units of the real estate projects outlined in Note 2, where the units have not yet been delivered. These advanced payments were valued in accordance with the amount of cash received.

For accounts in foreign currencies, the amounts determined in foreign currencies were converted to the local currency at the exchange rates in effect at the close of each period applicable to settlement of the respective operations. The respective breakdown is presented in Exhibit G. Exchange rate differences were included in period results.

Payables and receivables include the portion of the relevant financial results accrued up to the period's closing date. Underlying financial components have been separated from the relevant asset amounts outstanding, when they were significant.

The breakdown of amounts outstanding with related parties is presented in Note 7 of these consolidated financial statements.

Deferred Tax credit balances have been reflected at their nominal value.

Labor cost liabilities are accrued in the period in which the employees have provided the service entitling them to said payments.

d. Inventory

- Urban development projects: The real estate classified as inventory is valued at the cost of acquisition and/or construction, as per Note 3.1, or at its estimated market value, whichever is lower. Among the costs are the value of the land and improvements, direct costs and general construction costs, financial costs, and real estate taxes.

The inventory for which price-clinching advance payments have been received and the terms and conditions of the operation contemplate the actual sale and profit actually being made and are valued at the net realization value provided. The result of said valuation is included under the item, "Result of inventory valuation at net realization value" in the consolidated Income Statement (see Note 11).

Inventories are classified as current and noncurrent, considering their estimated sales date and the date on which one estimates that the accounts receivable generated by those sales will be collected.

Nota 3 Criteria for presenting consolidated financial statements (continued)

3.5 Accounting calculation and presentation criteria (continued)

d. Inventory (continued)

As of December 31, 2011, the following is included under “Finished units”: (i) all costs incurred (as mentioned in the first paragraph of this section) and (ii) the amount corresponding to valuation at net realization value; attributable to the units in the buildings construction of which had been finished as of such date.

Moreover, this item includes the advance payment toward the purchase of the property in Rosario, Province of Santa Fe (see Note 18.2) and direct purchase expenses incurred through the end of the period. The advance was valued according to the moneys/property delivered and direct purchase expenses at nominal value.

Inventory for Marina Río Luján S.A. comprises a property located in Tigre, in the province of Buenos Aires, which was acquired on July 5, 1999. At the time, this property was included in the assets of said company at its cost of acquisition. Among the costs were the value of the property and direct expenses associated with acquiring it.

As of December 31, 2003 and based on the technical value which resulted from a report put together by independent professional experts on the matter, Marina Río Luján S.A. acknowledged a devaluation to the book value of inventory because it exceeded the recoverable value on that date.

If a conservative approach is used, as of December 31, 2011, the referred inventory will continue to be valued as per the technical value indicated above. The values determined that way do not exceed their recoverable value.

- Greater book value of inventories: This is the difference among calculations of net assets which can be identified at the moment long-term interests are acquired in companies (see Note 17.), which result from applying the criterion established in Section 1.3.1.1 of Technical Resolution No. 21 by the F.C.P.C.E. Therefore, the inventories’ greater book value is mostly generated by a comparison of the book values and the relevant current values of the main assets which belong to the acquired companies (inventory).

The current value of the identifiable net assets is obtained from reports put together by independent professional experts on the matter.

As provided in paragraph 1.2.ñ) of Technical Resolution No. 21 by the F.A.C.P.C.E., the differences in calculations of net assets that can be identified at the moment of purchase which result from applying the criterion established in Section 1.3.1.1 of that Technical Resolution must be attributed to results at the investor company based on consumption of said assets by the issuer company. Because of this, the Company has attributed the greater book value of the new investments to results, applying the same criterion used by consolidated companies to identify their inventories in their income statements, i.e. based on the degree of progress of each project.

As of December 31, 2011, the Company acknowledged a debit to results of $ 29,396,512 ($10,618,693 as of December 31, 2010), which is included under “Result from valuation of inventory at net realization value” of the Consolidated Income Statement (see Note 11.).

The financial costs generated by the loans obtained by Maltería del Puerto S.A. and Canfot S.A. (See Note 15.) are included in the costs for the “Forum Puerto Norte” and “Forum Alcorta” projects, respectively, since at period-end those companies meet all the requirements set out in section 4.2.7.2 of Technical Resolution No. 17 of the F.A.C.P.C.E.

The value of inventory does not exceed its recoverable value as of the closing date of the period.

Nota 3 Criteria for presenting consolidated financial statements (continued)

3.5 Accounting calculation and presentation criteria (continued)

e. Fixed assets

These assets were valued at their cost of acquisition minus the relevant accumulated depreciations, calculated ratably to the estimated life cycle years. Depreciation is calculated using the straight-line method, applying rates that are sufficient to extinguish their values at the end of the estimated life cycle. Said life cycles are based on reasonable criteria and standards established according to past experience of Company Management. The evolution of fixed assets is included in Exhibit A.

Company Management reviews the residual book value of the fixed assets in order to check whether they have incurred any material devaluation when there are facts or changing circumstances that indicate that the recorded value of the same may be unrecoverable. In the event that there is any indication and book values exceed the estimated recoverable amount, said assets must be reduced to the limit of their recoverable value. The recoverable amount for fixed assets is equivalent to the net realization value or use value, whichever is greater.

Company Management has not detected any signs of devaluation as of the closing date of each period. Therefore, the value of fixed assets does not exceed their recoverable value as of such dates.

f. Intangible assets

These are setup expenses incurred during the incorporation process of the Companies, and expenditures made for acquiring software and registering trademarks.

In “Software development”, we include all direct expenses related to the acquisition and implementation of the new corporate ERP. It began amortization in January 2012, when it was first commercially applied.

Intangible assets are valued at their nominal value, minus the relevant depreciation calculated ratably to their estimated life cycle years. Depreciation is calculated using the straight-line method, the rate of which is determined on the basis of the life cycle assigned to the assets as of and including the year in which they were acquired. The evolution of intangible assets is included in Exhibit B.

Company Management reviews the residual value of the intangible assets in order to determine whether they have incurred any material devaluation when there are facts or changing circumstances that indicate that the recorded value of the same may be unrecoverable. In the event that there is any indication and book values exceed the estimated recoverable amount, said assets must be reduced to the limit of their recoverable value. The recoverable amount for intangible assets is equivalent to the net realization value or use value, whichever is greater.

Company Management has not detected any signs of devaluation at the end of each period. Therefore, the value of intangible assets does not exceed their recoverable value as of such dates.

g. Goodwill

As a result of the long-term investment acquisitions and sales (see Note 17.), the Company has acknowledged a total net goodwill of $41,823,309. The goodwill referred to in the previous paragraph was determined at the time of each acquisition based on the provisions set forth in Section 1.3.1.1.d) of Technical Resolution No. 21 of the F.A.C.P.C.E.

The criterion adopted by the Company to calculate goodwill depreciation is as follows:

a) Negative goodwill associated with the “Forum Puerto Norte” project (Maltería del Puerto S.A.): Because Company Management has not seen indications of future losses or expenditures associated with the acquired company, goodwill is depreciated using the same criterion as the one used for acknowledging the greater inventory value in the income statement generated by the acquisition of Maltería del Puerto S.A. This, negative goodwill depreciation is acknowledged on the basis of progress made in the works of the “Forum Puerto Norte” project”.

Nota 3 Criteria for presenting consolidated financial statements (continued)

3.5 Accounting calculation and presentation criteria (continued)

g. Goodwill (continued)

b) Negative goodwill associated with the "Venice") (Marina Río Luján S.A.) and "Astor Núñez" (Pico y Cabildo S.A.) developments: Because Company and Canfot S.A. Management has seen indications of future losses or expenditures associated with the acquired companies, goodwill is depreciated based on the results recognized by those companies by applying the proportional equity value method determined as per Technical Resolution No. 21 issued by the F.A.C.P.C.E., approved by the C.P.C.E.C.A.B.A. (see Note 3.4.e. to the individual financial statements as of December 31, 2011).

c) Positive goodwill associated with the "Forum Alcorta" (Canfot S.A.) project: Positive goodwill is depreciated on the basis of progress in the works of the housing project being developed by the acquired company. This criterion is the best estimate for the period during which the Company expects to receive financial gain associated with said value.

As of December 31, 2011, the Company acknowledges a depreciation of $ 5,958,220, in goodwill (as of December 31, 2010, $2,255,462), shown in the income statement under "Goodwill depreciation".

h. Acknowledgment of income

- Income from management and commissions: This includes the fees generated by management agreements and the commissions associated with the real estate projects executed by the consolidated companies. This income is acknowledged based on provision of services by the Company, regardless of the period when they are invoiced.

- Sale of units: Sales of properties in the real estate developments under construction are acknowledged by the Company on the basis of rate of progress (see Note 11.). This method acknowledges income based on the coefficient between the costs incurred and total estimated costs according to the total budget. The Company does not acknowledge the income and costs until the moment construction of the works begins. The rate-of-progress method requires that The Board of Directors of the Company put together cost budgets for property/unit sales. Potential modifications to the estimated completion costs are regularly incorporated into the estimated costs updated during the timeframe of the project.

As of December 31, 2011, the first units in the "Forum Puerto Norte" project were delivered. Income from these units are shown in "Income from goods sold and services rendered" in the consolidated income statement as of that date. Likewise, costs (costs incurred and valuation at net realization value) attributable to those units are shown in "Coat of goods sold" in the income statement as of such date.

i. Corporate Income tax and Minimum Presumptive Corporate Income Tax

The Company determines the Corporate Income Tax it must pay by applying the current 35% rate to the taxable income of each period. In accordance with current accounting regulations, the Company determines the debit for the Corporate Income Tax using the Deferred Tax method, which consists in acknowledging (as a credit or debit) the tax effect of temporary differences between the book and tax valuations of the assets and liabilities, determined at the current 35% rate established by law, and its subsequent application to results for the periods/years in which the same are reversed. When there are accumulated tax loss carry-forwards which may decrease future tax earnings, or the Deferred Tax which results from the temporary differences is an asset, said credits are acknowledged for accounting purposes to the extent Company Management deems it likely that they will be beneficial.

Nota 3 Criteria for presenting consolidated financial statements (continued)

3.5 Accounting calculation and presentation criteria (continued)

i. Corporate Income tax and Minimum Presumptive Corporate Income Tax (continued)

The Deferred Tax liability recorded as of December 31, 2011 amounts to $5,030,383 and is listed under "Taxes payable" in non-current assets (as of December 31, 2010, Deferred Tax assets amounted to $ 4,710,832 and are listed under "Other receivables" in non-current assets).

Note 4 to these consolidated financial statements provides a breakdown of the evolution and structure of the Corporate Income Tax and Deferred Tax accounts.

The Minimum Presumptive Corporate Income Tax is supplementary to the Corporate Income Tax, because while the latter is levied on the taxable income of each period, the Minimum Presumptive Corporate Income Tax is a minimum tax with a rate of 1% levied on the potential income of certain productive assets at the close of each period/year, and therefore, the Company's tax liability is the greater of both taxes. However, if the Minimum Presumptive Corporate Income Tax exceeds the Corporate Income Tax in any fiscal period, said excess may be considered as a payment toward any excess in the Corporate Income Tax over the Minimum Presumptive Corporate Income Tax which may be generated in any of the following ten fiscal years.

During the period ended on December 31, 2011, the amount calculated as the Minimum Presumptive Income Tax was $ 9,541,925. This amount, which added to the charges from previous periods represent a credit of $ 18,528,654, is outlined in "Other receivables" in non-current assets because the amounts paid for this tax are deemed recoverable before the respective statutes of limitations run.

j. Income statement accounts

Accounts accumulating monetary operations are shown at nominal value. Debits due to consumption of noncash assets were determined using the original date of those assets as indicated in Note 3.1.

Under "Financial and holding results, net", we include, jointly: (a) exchange rate differences generated by assets and liabilities in foreign currency, (b) interest earned/accrued on assets and liabilities, (c) expenses and bank interest generated by assets and liabilities, (d) results generated by the holding and sale of temporary investments, and (e) recovery of expense provisions.

k. Estimates

Preparation of the financial statement as per professional accounting standards requires Company Management to make estimates that affect the amounts disclosed for assets and liabilities and the presentation of contingent assets and liabilities as of the date the financial statements are issued, as well as the amounts disclosed for income and expenses during each period. Actual results may differ from such estimates.

3.6 Comparative information

As provided in Technical resolution No.8 of the F.A.C.P.C.E. on General Accounting Presentation Standards, and in light of Note 1, the Company discloses its accounting information on a comparative basis.

When preparing these financial statements, Company Management introduced certain changes to how some entries were shown. The annual financial statements as of December 31, 2010, shown for comparative purposes, were modified to reflect the effect of these changes.

Note 4 Corporate Income Tax and Deferred Tax

The structure of "Corporate Income Tax", determined in accordance with Technical Resolution No. 17 of the F.A.C.P.C.E., included in the income statement as of December 31, 2011 and 2010, is as follows:

	Dec 31, 2011	Dec 31, 2010
Deferred Tax originated by temporary differences	(10,222,664)	3,671,670
Total Corporate Income tax	(10,222,664)	3,671,670

The Deferred Tax at the close of each period has been determined on the basis of the temporary differences between the accounting and the tax calculations. The structure of assets and liabilities for Deferred Tax at the close of each period is as follows:

(Liabilities) Assets from Deferred Tax:	**Dec 31, 2011**	Dec 31, 2010
Locally-sourced tax loss carry-forwards (1)	25,057,693	9,533,850
Foreign-sourced tax loss carry-forwards	32,158	24,657
Provisional investment	(1,251,327)	(680)
Valuation of Inventory	(26,023,445)	(4,846,995)
Valuation of foreign currency	(92,147)	-
Financial costs	(2,753,315)	-
Balance at close of period	(5,030,383)	4,710,832

(1) As of December 31 2011, $481,449 are included as a result of the acquisition of Pico y Cabildo S.A. (see Note 17.).

Following is a detail of the reconciliation of the Corporate Income Tax attributed to results, which would be the result of applying the relevant tax rate to the accounting result before taxes:

	Dec 31, 2011	Dec 31, 2010
Corporate Income Tax calculated at effective rate on the accounting result before taxes	2,226,457	8,293,103
Interest	(103,129)	(31,967)
Fees	(54,250)	-
Penalties	(5,694)	-
Other bad debt	-	(101,650)
Result from valuation of interests in companies	(878,828)	(4,162,429)
Depreciation of goodwill, higher value of investments and others	(11,315,949)	-
Non-deductible taxes	(76,700)	(49,870)
Donations	(18,758)	(1,400)
Sundry	4,187	(274,117)
Corporate Income Tax	(10,222,664)	3,671,670

The temporary difference originated by accrued tax loss carry-forwards as of December 31, 2011, which may be used up to the dates indicated below is as follows:

Year	Pesos
2012	30,245
2013	3,529,677
2014	1,558,415
2015	6,916,996
2016	12,714,735
2017	339,783
Total	25,089,851

Note 5 Structure of Main Items

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows:

5.a. Cash and banks

Cash		**Dec 31, 2011**	Dec 31, 2010
In local currency		30,510	60,707
In foreign currency	Exhibit G	154,330	93,101
Banks			
In local currency		3,981,094	1,518,128
In foreign currency	Exhibit G	5,887,443	167,803,284
Foreign currency to be converted	Exhibit G	-	1,751,520
Securities to be deposited		1,482,884	210,248
Restricted funds		-	(1,200,000)
		11,536,261	170,236,988

5.b. Trade receivables

Individual debtors	Exhibit G	8,472,404	-
Balances with related parties	Note 7 and Exhibit G	78,681	-
		8,551,085	-

5.c. Other receivables

Current:			
Value Added Tax		18,522,129	6,623,199
Gross Receipts Tax		238,984	632,267
Corporate Income Tax		-	629,450
Deposits as collateral		-	1,200,000
Accounts receivable from related parties in local currency	Note 7	2,694,515	630,437
Accounts receivable from related parties in foreign currency	Note7 and Exhibit G	5,269,223	-
Insurance policies to be accrued in local currency		26,175	11,073
Insurance policies to be accrued in foreign currency	Exhibit G	665,462	495,928
Advance payments to suppliers in local currency		9,866	349,142
Advance payments to suppliers in foreign currency	Exhibit G	-	58,237
Advance payments to personnel		296,884	33,148
Checks rejected for collection		4,212	-
Other tax credits		-	47,702
Rent receivable		116,434	-
Expenses to be accounted for in local currency		507,583	-
Expenses to be accounted for in foreign currency	Exhibit G	2,558	3,761
Sundry receivables in local currency		227,268	1,600
Sundry receivables in foreign currency	Exhibit G	67,049	-
		28,648,342	10,715,944

Note 5 Structure of Main Items (continued)

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows (continued):

5.c. Other receivables (continued)

Noncurrent:		Dec 31, 2011	Dec 31, 2010
Assets for Deferred Tax	Note 4	-	4,710,832
Value Added Tax		146,472	-
Insurance policies to be accrued	Exhibit G	219,031	336,096
Minimum Presumptive Income Tax (1)		18,528,654	8,986,729
Deposits as collateral in local currency		21,100	-
Deposits as collateral in foreign currency	Exhibit G	191,880	110,209
Expenses to be rendered		374,639	-
		19,481,776	14,143,866

5.d. Inventory

Current			
"Forum Puerto Norte" real estate project			
Cost incurred	Note 11	132,164,507	-
Valuation at net realization value	Note 11	22,446,757	-
Completed units	Exhibit F	102,729,536	-
Vendor advances in nominal currency		20,838,951	-
Vendor advances in foreign currency	Exhibit G	350,579	-
		278,530,330	-

Noncurrent			
"Forum Puerto Norte" real estate project			
Cost incurred	Note 11	47,696,941	120,371,840
Valuation at net realization value	Note 11	12,371,291	13,848,560
Greater value of inventory		55,574,069	55,574,069
Greater value of inventory – Accumulated depreciation	Note 11	(36,092,052)	(10,618,693)
		79,550,249	179,175,776
"Forum Alcorta" real estate project			
Cost incurred	Note 11	179,733,046	125,522,265
Valuation at net realization value	Note 11	34,203,790	-
Greater value of inventory		20,462,077	19,691,563
Greater value of inventory – Accumulated depreciation		(3,923,153)	-
		230,475,760	145,213,828
"Venice" real estate project			
Cost incurred		12,633,678	8,109,388
Greater value of inventory		61,398,212	61,398,212
		74,031,890	69,507,600
Transportation		384,057,899	393,897,204

Note 5 Structure of Main Items (continued)

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows (continued):

5.d. Inventory (continued)

Noncurrent (continued)		**Dec 31, 2011**	Dec 31, 2010
Transportation		384,057,899	393,897,204
"Astor Palermo" real estate project			
Cost incurred		80,074,188	76,886,003
		80,074,188	76,886,003
"Astor Caballito" real estate project			
Cost incurred	Note 11	59,058,130	-
Valuation at net realization value	Note 11	536,869	-
		59,594,999	-
"Astor Nuñez" real estate project			
Cost incurred		9,562,588	-
Greater value of inventory		42,176,125	-
		51,738,713	-
"Forum Puerto del Buceo" real estate project			
Cost incurred		843,276	-
		843,276	-
Advance payments to suppliers in local currency		37,140,472	12,086,216
Advance payments to suppliers in foreign currency	Exhibit G	22,079,511	1,970,856
		635,529,058	484,840,279

5.e. Trade payables

Current:			
Suppliers in local currency		17,080,841	11,172,796
Suppliers in foreign currency	Exhibit G	110,377	459,481
Post-dated checks		8,201,099	7,267,535
Provision for expenditures in local currency		17,886,543	2,994,396
Provision for expenditures in foreign currency	Exhibit G	747,547	61,729
Provision for works in local currency		1,056,797	-
Provision for works in foreign currency	Exhibit G	928,050	-
Fees payable		3,450	-
Provision for Board Members' fees		67,220	40,000
Insurance policies payable in local currency		20,501	7,455
Insurance policies payable in foreign currency	Exhibit G	397,659	487,636
Fulfillment of agreement		68,521	37,128
Sundry		-	2,924
		46,568,605	22,531,080

Note 5 Structure of Main Items (continued)

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows (continued):

5.e. Trade payables (continued)

Noncurrent:		**Dec 31, 2011**	Dec 31, 2010
Contingency fund in local currency		2,180,152	329,827
Contingency fund in foreign currency	Exhibit G	59,981	55,410
Balances with related parties	Note 7, 12.2 and Exhibit G	42,224,900	-
		44,465,033	385,237

5.f. Loans

Current:			
Mortgage-backed bank loan in local currency	Note15.2 a)	189,939	100,358
Mortgage-backed bank loan in foreign currency	Note15.2 b) and Exhibit G	69,034	-
Loans received in foreign currency	Note 15.1/5 and Exhibit G	8,764,449	-
Balances with related parties	Note 7, 15 3/4 and Exhibit G	14,204,607	-
Advance payment into bank account		7,511,895	576,935
Sundry		7,343	
		30,747,267	677,293

Noncurrent:			
Mortgage-backed bank loan in local currency	Note 15.2 a)	15,528,000	12,000,000
Mortgage-backed bank loan in foreign currency	Note 15.2 b) and Exhibit G	17,987,044	-
		33,515,044	12,000,000

5.g. Salaries and social security contributions

Wages payable	782,108	11,995
Social security contributions payable	670,150	217,581
Provision for vacations	646,337	388,183
Federal tax payment plan	272,212	172,260
	2,370,807	790,019

Note 5 Structure of Main Items (continued)

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows (continued):

5.h. Taxes payable

Current:		Dec 31, 2011	Dec 31, 2010
Minimum Presumptive Corporate Income Tax (1)		4,288,299	3,813,884
Value Added Tax		20,789	859,253
Gross Receipts Tax		288,605	462,581
Stamp Tax		489,580	26,636
Provision for individual net worth tax	Exhibit G	14,705	-
Federal Tax Payment Plan		-	527,005
Provincial Tax Payment Plan		406,420	552,072
Municipal Tax Payment Plan		72,976	45,412
Withholdings and earnings to be deposited		1,387,949	537,230
Federal Tax Payment Plan		59,436	17,950
Other Provincial Taxes		4,541	-
		7,033,300	6,842,023

(1) Net of advances totaling $ 5,253,626 and $ 1,557,552, as of December 31, 2011nand 2010, respectively.

Non-current:			
Provincial Tax Payment Plan		-	406,420
Municipal tax Payment Plan		374,639	-
Deferred tax Liability	Note 4	5,030,383	-
		5,405,022	406,420

5.i. Customer advances

Current:			
Early collections in local currency		37,415,449	-
Early collections in foreign currency	Exhibit G	162,565,193	-
Amounts outstanding with related parties in local currency	Note 7	4,022,989	-
Amounts outstanding with related parties in foreign currency	Note 7 and Exhibit G	4,088,507	-
Working fund		402,592	-
Minus			
Value Added Tax		(19,511,961)	-
		188,982,769	-

Noncurrent:			
Early collections in local currency		6,773,947	24,816,315
Early collections in foreign currency	Exhibit G	247,972,952	186,243,070
Amounts outstanding with related parties in local currency	Note 7	-	1,103,347
Amounts outstanding with related parties in foreign currency	Note 7 and Exhibit G	47,013,617	35,309,073
Working Fund		93,876	-
Minus			
Value Added Tax		(24,482,389)	(20,149,108)
		277,372,003	227,322,697

Note 5 Structure of Main Items (continued)

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows (continued):

5.j. Other liabilities

		Dec 31, 2011	Dec 31, 2010
Inventory creditors	Exhibit G	6,257,790	-
Long-term investment creditors	Note 12.3 and Exhibit G	18,145,137	-
Sundry creditors	Note 12.6 and Exhibit G	813,780	-
		25,216,707	-

5.k. Revenues from goods sold and services rendered

	Profit / (Loss)	
Revenues from services rendered	16,992,724	206,162
Revenues from goods sold	15,151,423	-
	32,144,147	206,162

5.l. Financial and holding results, net

Generated by assets		
Exchange rate differences	15,494,361	(163,552)
Banking expenses	(359,258)	(70,992)
Temporary investment holding results	1,143,325	879
Temporary investment sales results	1,751,744	-
Interest	4,335,716	235,091
Banking debit and credit tax	(3,557,756)	(1,112,746)
Sundry	-	13,288
	18,808,132	(1,098,032)

Generated by liabilities		
Exchange rate differences	(37,033,078)	(9,153,196)
Interest	(1,472,108)	(2,539,829)
Banking expenses	-	(300,000)
Recovery of expense provisions	589,826	-
	(37,915,360)	(11,993,025)

5.m. Other revenues and expenses, net

Rent earned	296,100	1,916,248
Results from sale of stock	1,517,336	(747,105)
Cancellation of debt	173,700	-
Revenues from administrative fees	1,258,368	-
Sundry	(4,095)	115,871
	3,241,409	1,285,014

Note 6 Corporate equity

The issued, subscribed and integrated corporate equity as of December 31, 2011, is $ 70,349,485. The corporate equity registered with the Corporate Records Office to that date is $ 22,350,000.

As of December 31, 2011, the distribution of the interest in the corporate equity is as follows:

Shareholders	Shares	Interest
Federico Nicolás Weil	13,549,889	19 %
PDG Realty S.A. Empreendimentos e Participações	19,121,667	27 %
Holders of certificates representing common shares	17,548,905	25 %
Other holders of common shares	20,129,024	29 %
	70,349,485	100 %

Note 7 Related parties

a) As of December 31, 2011 and 2010, the amounts outstanding with Companies as per art. No. 33 – Law No. 19,550 and other related parties are as follows:

TRADE RECEIVABLES	**Dec 31, 2011**	Dec 31, 2010
Marina Río Luján S.A.	78,681	-
	78,681	-
OTHER RECEIVABLES		
In local currency		
Individual shareholders	910,282	356,176
PDG Realty S.A. Empreendimentos e Participações	842,516	250,455
Other shareholders	909,086	-
Board members	32,631	23,806
	2,694,515	630,437
In foreign currency		
Alto Palermo S.A.	2,480,737	-
Marina Río Luján S.A.	2,788,486	-
	5,269,223	-
TRADE PAYABLES		
IRSA Inversiones y Representaciones S.A.	42,224,900	-
	42,224,900	-
loans		
Individual shareholders	14,204,607	-
	14,204,607	-

Note 7 Related parties (continued)

a) As of December 31, 2011 and 2010, the amounts outstanding with Companies as per art. No. 33 – Law No. 19,550 and other related parties are as follows:

CUSTOMER ADVANCES	Dec 31, 2011	Dec 31, 2010
Current		
In local currency		
Individual shareholders	4,022,989	-
	4,022,989	
In foreign currency		
Individual shareholders	4,088,507	-
	4,088,507	-
Noncurrent		
In local currency		
Individual shareholders	-	1,103,347
	-	1,103,347
In foreign currency		
Alto Palermo S.A.	35,048,466	32,377,486
IRSA Inversiones y Representaciones S.A.	11,965,151	-
Individual shareholders	-	2,931,587
	47,013,617	35,309,073

b) As of December 31, 2011 and 2010, the most significant operations with Companies as per art. No. 33 – Law No. 19,550 and other related parties are as follows:

	Profit/ (Loss)	
SERVICES PROVIDED	**Dec 31, 2011**	Dec 31, 2010
Marina Río Luján S.A.	290,879	-
Compañía Argentina de Participaciones S.A.	-	7,500
	290,879	7,500
FINANCIAL RESULTS, NET		
Alto Palermo S.A.	(2,394,324)	-
Marina Río Luján S.A.	(235,750)	(60,999)
Individual shareholders	(216,392)	(57)
IRSA Inversiones y Representaciones S.A.	(2,443,927)	-
AGL Capital S.A.	-	(156,685)
	(5,290,393)	(217,741)
PAYMENTS MADE		
AGL Capital S.A.	-	3,194,363
Driway Corporation S.A.	-	365,636
Individual shareholders	-	21,966
	-	3,581,965

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

Nota 7 Related parties (continued)

b) As of December 31, 2011 and 2010, the most significant operations with Companies as per art. No. 33 – Law No. 19,550 and other related parties are as follows (continued):

COLLECTION OF SERVICES PROVIDED	Dec 31, 2011	Dec 31, 2010
Marina Río Luján S.A.	272,453	-
Compañía Argentina de Seguros S.A.	-	9,075
	272,453	9,075

CUSTOMER ADVANCES RECEIVED		
Individual shareholders	8,111,496	-
	8,111,496	-

LOANS RECEIVED		
Individual shareholders	12,441,433	-
	12,441,433	-

PAYMENTS MADE ON BEHALF OF THIRD PARTIES		
PDG Realty S.A. Empreendimentos e Participações	592,062	-
Individual shareholders	489,343	-
	1,081,405	-

EXPENSES MADE BY THIRD PARTIES		
Marina Río Lujan S.A.	22,107	-
	22,107	-

LOANS GRANTED		
Alto Palermo S.A.	2,226,560	-
Marina Río Luján S.A.	2,113,125	-
	4,339,685	-

PAYMENT OF CORPORATE EQUITY PLUS ISSUANCE PREMIUM		
Individual shareholders	-	253,887
Marina Río de la Plata S.L.	-	1,549
Marina Río Lujan S.A.	-	250,005
	-	505,441

Note 8 Breakdown by maturity of and interest rates on investments, credits and debts

a) Classification of investment, credit, and debt balances according to maturity:

Investments	Dec 31, 2011	Dec 31, 2010
Maturing		
Up to 3 months	65,511,195	7,722,343
	65,511,195	7,722,343

Note 8 Breakdown by maturity of and interest rates on investments, credits and debts (continued)

a) Classification of investment, credit, and debt balances according to maturity (continued):

Credits	**Dec 31, 2011**	Dec 31, 2010
Maturing		
Up to 3 months	14.695.133	8.842.181
From 3 to 6 months	17.038.177	755.987
From 6 to 9 months	1.922.355	111.838
From 9 to 12 months	532.502	101.449
Over 12 months	19.481.776	14.143.866
No specific due date	2.694.516	904.489
Past-due		
Up to 3 months	233.942	-
From 3 to 6 months	82.802	-
	56.681.203	24.859.810

Debts		
Maturing		
Up to 3 months	142.314.836	26.413.753
From 3 to 6 months	53.658.694	4.064.422
From 6 to 9 months	58.590.830	154.220
From 9 to 12 months	45.541.315	144.258
Over 12 months	360.757.102	240.114.354
No specific due date	813.780	63.762
	661.676.557	270.954.769

b) Classification of investment, credit, and debt balances, accruing interest and otherwise, as shown below:

Investments	**Dec 31, 2011**	Dec 31, 2010
Accruing interest	813.780	6.220.399
Not accruing interest	64.697.415	1.501.944
	65.511.195	7.722.343
Average nominal annual rate:	0,45%	8,00%

Credits		
Accruing interest	5.601.129	788.925
Not accruing interest	51.080.074	24.070.885
	56.681.203	24.859.810
Average nominal annual rate:	7,00%	8,00%

Debts		
Accruing interest	64.281.935	14.502.616
Not accruing interest	597.394.622	256.452.153
	661.676.557	270.954.769
Average nominal annual rate:		18,00%

Note 9 Information contained in the individual financial statements

For a more appropriate interpretation of these consolidated financial statements, Notes 2. and 9. through 18., to the individual financial statements of TGLT S.A. should be taken into account.

Note 10 Information by segments

After performing an analysis as per sections 8.2.1 and 8.2.2 of Technical Resolution No. 18 of the F.A.C.P.C.E., the Board of Directors of the Company has concluded that there are no business or geographical segments that merit submitting additional information, as all of the products and/or services offered by the Company are subject to the same risks and profitability.

Note 11 Result from valuation of inventory at net realization value

As mentioned in Note 3.5.d., the inventory for which advance payments was received, thereby establishing a price and contractual terms for the transaction, and secure the actual consummation of the sale and profit, is valued at the net realization value indicated.

The inventory valuation method using net realization value requires Company Management to draft cost budgets and total sales of its real estate projects. The modifications to such estimates are regularly incorporated into those budgets and directly impact on the income for valuation of inventory at net realization value.

Following is the most relevant information for the “Forum Puerto Norte”, “Forum Alcorta” and “Astor Caballito” housing projects used by the Company to acknowledge income for valuation of inventory at net realization value at the close of the period:

Projects	Costs		Sales			Result from valuation of inventory at NRV			
	Incurred as of 12/31/2011 (1)	Work progress (*) (2)	Secured as of 12/31/2011 (3)	Sales progress (**) (4)	Expenses from secured sales (5)	Accumulated as of 12/31/2011 (6) = (3) * (2) - (1) * (4) - (5)	Accumulated as of 12/31/2010 (7)	Devaluation of greater inventory value Nota 3.5.e. (8)	For the period (9) = (6) – (7) - (8)
Forum “Puerto Norte”	(***) 288,189,795	88%	307,718,825	78%	2,248,415	(****) 43,020,994	13,848,560	25,473,359	3,699,075
Forum “Alcorta”	179,733,046	39%	326,230,819	49%	5,121,775	34,203,790	-	3,923,153	30,280,637
“Astor Caballito”	59,058,130	28%	10,942,558	4%	90,551	536,869	-	-	536,869
	526,980,971		**644,892,202**		**7,460,741**	**77,761,653**	**13,848,560**	**29,396,512**	**34,516,581**

(*) Weighted-average progress of works for secured sales of each building of each real estate project
(**) Weighted-average progress of works for costs incurred in each building of each real estate project
(***) Includes $ 108,328,347 corresponding to units completed as of December 31, 2011 (see Exhibit F).
(****) Includes $ 8,202,946 corresponding to units completed as of December 31, 2011 (see Exhibit F).

Note 12 Restricted assets

1. As a result of the funding obtained by Canfot S.A. by means of two mortgage-backed Construction Project Facility Agreements, entered into with Banco Hipotecario S.A. (the “Bank”), and as explained in Note 15.2, Canfot S.A. attached its real estate on which it is building the “Forum Alcorta” project, with a first-priority mortgage.

   As of December 31, 2011, the recorded value of the mortgage property mentioned above totals $ 230,475,760, and is included under non-current “Inventory.”

Note 12 Restricted assets (continued)

2. To secure the obligations assumed by the Company as a result of its purchase of the property where the "Astor Caballito" project is being built (see Note 18.3), the Company furnished a first-priority mortgage in favor of IRSA Inversiones y Representaciones S.A. ("IRSA") over the said property. Also, and to secure that operation, the Company furnished a first-priority pledge in favor of IRSA over the shares it holds in Maltería del Puerto S.A.

   As of December 31, 2011, the recorded value of the mortgage property mentioned above totals $ 59,594,999 and is included under non-current "Inventory".

   As of December 31, 2011, the outstanding debt on the purpose of the aforementioned purchase totals $ 42,224,900, included under current and non-current "Trade Payables", respectively, and $ 11,965,151 under non-current "Customer Advances" liabilities.

3. As a result of the purchase of 95% of the equity package in Pico y Cabildo S.A. by the Company, on April 14, 2011, the Company perfected a security interest in favor of the previous shareholders of that company attaching to all the shares received in Pico y Cabildo S.A., to secure performance in time and form of payment obligations in the sum of US$8,749,755.

   On September 13, 2011, and pursuant to clause 5(c)(ii) of the pledge agreement (allowing for the transfer of the pledged shares), the Company transferred to Canfot S.A. 3% of the equity package of Pico y Cabildo S.A.

   As of December 31, 2011, the debt outstanding on the purchase of the shares in Pico y Cabildo S.A. totals $ 18,145,137, included under current "Other Liabilities.

   During January 2012, the Company fully repaid the debt mentioned in the previous paragraph, and therefore the security furnished as a result of that transaction was fully released at that time.

4. On December 27, 2007, Marinas Río de la Plata SL and Marcelo Gómez Prieto entered into two Stock Pledge Agreements, one in favor of Marcelo Gómez Prieto and the other in favor of Marinas Río de la Plata SL (the "Stock Pledge Agreements"). Under those agreements, each party granted the other, as security for the fulfillment of the financing obligations assumed by both in relation to Marina Río Luján S.A., a first-priority security interest pursuant to Art. 580 et sqq. of the Code of Commerce of the Argentine Republic, on all the shares issued by Marina Río Lujan S.A. owned by the party who ultimately becomes the Pledgor under each of the Stock Pledge Agreements. Following is a description of the financing obligations secured under the Pledge Agreements:

   a) The financing policy of Marina Río Luján S.A. will be established by the Board of Directors with a view to attaining the most efficient financial and tax structure for the development of the real estate project. Those policies shall be implemented substantially in the same conditions as would have been obtained in the market by unrelated third parties (arm's length terms).

   b) First, Marcelo Gómez Prieto and Marinas Río de la Plata SL, through Marina Río Luján S.A., will try to obtain financing from independent third parties to develop the real estate project of that company. To this end, Marina Río Luján S.A. will accept third-party financing on arm's length terms. In case said third party financing is not disbursed, each party will provide financing to the other in the sum of up to US$4,000,000.

   On February 22, 2010, Marcelo Gómez Prieto consented and the Company agreed to assume all the rights and obligations of Marinas Río de la Plata SL and replace it under the Stock Pledge Agreements.

Note 12 Restricted assets (continued)

5. To secure obligations assumed by the Company as a result of the purchase of the property where the "Astor Palermo" project is being developed (see Note 18.1), the Company furnished a first-priority pledge in favor of Alto Palermo S.A. ("APSA") over that property. The mortgaged amount is US$ 8,143,231.

   As of December 31, 2011, the recorded value of the aforementioned mortgaged property totals $ 80,074,188 and is included under non-current "Inventory".

   As of December 31, 2011, the debt outstanding on the purchase of the aforementioned property totals $ 35,048,466, included under non-current liabilities as "Customer Advances."

6. As a result of certain demolition activities conducted in September 2006 in the property where the Astor Núñez project is being developed, Pico y Cabildo S.A. was served a suit for "damages due to proximity" in 2009. The case is being substantiated before the 89th Civil Trial Court and the amount of the suit is app. $440,000.

   As of the date of these financial statements, the case had not entered discovery.

   Likewise, and as a result of the acquisition of shares in Pico y Cabildo S.A. by TGLT S.A., and to secure the outcome of the contingency mentioned above, the former shareholders made a time deposit to the name of the Company, which would be used solely to pay any obligations arising from the outcome of the claim against the Company.

   Consequently, current assets include the sum of $ 813,780 under "Temporary Investments", and the sum of $ 813,780 is included in current liabilities under "Other Liabilities."

7. On January 5, 2012, and to secure the obligations assumed as a result of the purchase of the property where the "Forum Puerto del Buceo" project is being developed (see Note 18.4), Miwok S.A. furnished a first-priority mortgage in favor of Héctor Fernando Colella Moix, Marta Eugenia Ortiz Fissore and Tomás Romay Buero (in their applicable proportions) on that property. The amount of the mortgage is US$ 23,600,000.

   Moreover, and in relation to that same operation, TGLT S.A. became a joint-and-several guarantor, purely and simply, and principal payer, waiving the benefits of discussion and division, and also waiving any defense accruing for Miwok S.A. for the performance of all the obligations assumed by this company under the purchase and mortgage of the property acquired by the latter. This security will remain effective until all the secured obligations have been discharged.

Note 13 Claims

1. Health & safety

Maltería del Puerto S.A. has been summoned, as the owner of the Forum Puerto Norte works (the "Works"), in six administrative proceedings instituted by the Workplace Health and Safety Commission of the Ministry of Labor and Social Security of the Province of Santa Fe. The Company submitted the respective replies, rejecting the allegations made surrounding violations and the number of personnel members affected by each violation, offering the respective evidence. Once that evidence is produced, the Commission must issue a resolution, determining whether these violations did in fact take place or not, and, if applicable, imposing the requisite penalties.

As of the date of these consolidated financial statements, we cannot determine whether the accused parties will be declared guilty or not, or if the adverse resolution, if any, will be made extensive to Maltería del Puerto S.A. as the owner of the Works. The Ministry should have decided on these proceedings at some time during April 2011. Nevertheless, as of the date of these consolidated financial statements, that entity had not issued the same. If any monetary penalties are imposed, they must be paid even if an appeal is filed with the Labor Court of Appeals of the Province of Santa Fe, under penalty of collection by way of coercion and shutdown of the Works.

Note 13 Claims (continued)

1. Health & safety (continued):

The Board of Directors of the Company is of the opinion that the resolution issued on the aforementioned administrative proceedings will not entail any material losses for the Company, and therefore it had not recognized any debt in relation to this as of December 31. 2011.

2. Labor matters:

As of December 31, 2011, Maltería del Puerto S.A. had been served three labor claims in its capacity as the owner of the "Forum Puerto Norte" real estate development and as joint-and-several guarantor of the labor obligations of certain subcontractors.

As of the date of these financial statements, it was impossible to quantify the potential contingencies the Company could face because the claims notices did not state the amounts claimed. Nevertheless, the Board of Directors of the Company and its legal counsel feel the resolution of those claims should not generate material losses for the Company.

3. Ingeniero Milia S.A.:

On January 5, 2012, Maltería del Puerto and the Company learned that Ingeniero Guillermo Milia S.A. (IGM), a contractor that both companies hired for the provision of concrete and masonry services in the "Forum Puerto Norte" and "Astor Caballito" projects, respectively, had not paid the second half of December and the supplementary annual salary (SAC) to its employees, which resulted in a walkout by its workers from the site. The Company was thus forced to assume the labor contingencies, terminate the relationship with IGM and take over the works, as described below:

On December 18, 2011, Maltería del Puerto S.A. and the Company received a demand for information from the Construction Workers' Union of the Argentine Republic (UOCRA) and from the Construction Personnel Health Insurance Corporation (OSPECON), in relation to the personnel affected at those works and hired through IGM. On January 25, 2012, those entities assessed a debt of $ 217,846 and $ 78,745, making this claim extensive to Maltería del Puerto S.A. and the Company, respectively, on a joint-and-several basis, pursuant to the provisions of article 32 of Law No. 22250.

Moreover, during December 2011, both companies signed collective employment agreements in relation to the IGM personnel assigned to the "Forum Puerto Norte" and "Astor Caballito" projects, respectively. Thus, in their capacities as owners of both developments and as joint-and-several guarantors for the labor obligations of the workers of IGM, Maltería del Puerto S.A. and the Company paid off, during January and February 2012, the debt IGM owed to its workers, paying them all salaries owed under the supervision of the Ministry of Labor, in addition to their respective supplementary annual salary, unemployment fond and final settlement.

As of the date of these financial statements, the Boards of Directors of both companies felt that no material losses would result from the resolution of the situation discussed in the preceding paragraphs.

Moreover, and as a result of the breaches incurred by IGM, Maltería del Puerto S.A. filed a petition with the District Civil and Commercial Trial Court of the 4th Circuit of the City of Rosario, Province of Santa Fe, to issue an order against further moves against IGM and Messrs. Carlos Domingo Tonsich and Gabriel Alejandro Pierre, in relation to the preliminary purchase agreements for functional units in the Forum Puerto Norte project, executed pursuant to the Letter Offers regarding the provision of concrete and masonry services, sent in due course by IGM to the Company. The Judge of said court granted an injunction against further moves as requested. .

As advised by the legal counsel of Maltería del Puerto S.A., Messrs. Pedro Arturo Aldave and Carlos Domingo Tonsich, in their capacities as assignees of preliminary purchase agreements for units in Forum Puerto Norte, would be able to bring action against the Company as a result of the injunction mentioned above.

As of December 31, 2011, Maltería del Puerto S.A. had not recognized any losses in relation to the assigned preliminary purchase agreements, in the understanding that, as of the date of these financial statements, there are no facts that would allow us to draw any conclusion regarding the prospects and amount of the losses that the company could face arising from the situations mentioned above.

Note 13 Claims (continued)

4. Worksite advertising and fencing

On July 8, 2011, the General Revenue Bureau (which belongs to the Governmental Administration of Public Revenue of the Autonomous City of Buenos Aires) drafted a resolution for the works where the Forum Alcorta project is being developed, due to an alleged failure to pay advertising fees for the fencing surrounding the site and alleged failure to pay the fee for occupying the public domain with the fence, understanding that the same had been placed on the public domain (at a distance of app. 35 centimeters from the municipal line).

In relation to the failure to pay the advertising fees, payment was noted in the same resolution.

As to the fee for occupying the public domain, on November 3, 2011, the Company adhered to a payment plan in the total sum of $ 591,770 (including principal and interest), to be paid in 60 monthly installments.

Moreover, on February 4, 2011, Canfot S.A. executed a contract for the "erection of fences to post advertisements" with CBS Outdoor Argentina S.A., whereby that company agrees to pay or repair all damages caused by advertisement bills and/or perimeter fences.

As of December 31, 2011, Canfot S.A. had not recognized any loss in relation to the fine for occupying public spaces, since the Board of that company feels that all the costs indicated in the fine must be absorbed by CBS Outdoor Argentina S.A. As of that date, the outstanding liability totaled $445,362 (principal plus interest), including in "Tax Liabilities" under current liabilities, totaling $70,723, and under noncurrent liabilities totaling $374,639.

Note 14 Astor Palermo project - Injunction

On June 9, 2011, the 9th Court for Adversary Administrative and Tax Matters of the Autonomous City of Buenos Aires, headed by Judge Andrea Danas, 18th Clerk's Office headed by Judge María José Izurieta, granted pretrial injunctive relief in the proceedings captioned *"Asociación Amigos Alto Palermo c/ Gobierno de la Ciudad de Buenos Aires s/ Amparo"* (Art. 14 CCABA) number 41,544. The injunction granted suspends construction activities at the worksite of the property situate on Beruti No. 3351/59 between Bulnes and Coronel Díaz Avenue, Real Estate Inventory Classification: Circumscription: 19; Section: 15; Block: 15; Plot 11-S in this City of Buenos Aires. Pursuant to paragraph II of that resolution, the suspension will remain in force until the Government of the City of Buenos Aires adds administrative dossiers No. 28,831/2009 and 10,788/2009 to the case file, whereby it has granted authorization for the construction of an apartment building with residential and commercial parking spaces, to be built by the Company on that property.

On July 4, 2011, the Government of the Autonomous City of Buenos Aires complied with this petition. On July 11, 2011, the acting judge accepted the pretrial relief requested until all the evidence offered by the parties is produced, as well as any other evidence as is required by the court in due procedural course.

On July 15, 2011, the Company appealed from the resolution that granted this relief, and the appeal was granted that same day.

On October 4, 2011, the claimant filed a brief related to a petition for reports on the conditions in which the Project and its performance were authorized. These new facts were challenged, both on appeal and in the principal case file.

As of the date of these financial statements, a resolution on the appeal from the injunction resolution was still pending, which should also include a resolution on the new facts claimed.

Note 15 Loans

1. Maltería del Puerto S.A. entered into certain loan agreements with Sociedad Italiana de S.M.P. ("Sociedad Italiana"). In all cases, the principal disbursed by Sociedad Italiana will accrue interest at a nominal annual rate on outstanding balances, to be paid in twelve consecutive monthly installments starting the month following execution of the loan agreements, repaying principal with the last installment.

Note 15 Loans (continued)

The breakdown of each loan agreement executed as of December 31, 2011, is detailed below:

#	Date	Amount	Rate
1	05/31/2011	US$ 505,317	10.50 %
2	06/13/2011	US$ 505,323	10.59 %

US$: United States dollars.

The amount outstanding on the loan agreements executed between Maltería del Puerto S.A. and Sociedad Italiana as of December 31, 2011, totals $ 4,378,494 (principal plus interest), included under current liabilities as "Loans".

2. Canfot S.A. executed two loan agreements with Banco Hipotecario S.A. (the "Bank"). Following is a summary of the most relevant aspects of each:

A) Construction Financing Agreement secured by a mortgage in pesos:

I. The loan had a maximum of $30,000,000. Following is a summary of the sums disbursed by the Bank.

#	Date	Total Amount
1	06/17/2010	$ 12,000,000
2	06/29/2011	$ 518,400
3	07/29/2011	$ 457,200
4	08/30/2011	$ 185,400
5	10/07/2011	$ 527,400
6	10/31/2011	$ 475,200
7	12/02/2011	$ 1,170,000
8	12/29/2011	$ 194,400
		$ 15,528,000

The balance on the loan, i.e. the sum of $14,472,000, will be loaned through disbursements made within timeframes of no less than thirty (30) days, proportionate to the progress of the works and subject to delivery—to the full satisfaction of the Bank—of certain information on the project.

The term established was 36 months. The principal loaned was to be reimbursed by Canfot S.A. to the Bank in pesos within a maximum, non-extendable deadline of June 15, 2013. The Company was allowed the possibility of making prepayments with funds obtained from presales of the project's units without any kind of penalty being applied by the Bank.

II. All the amounts disbursed by the Bank were to accrue interest on the amounts outstanding at the end of each monthly period until payment of said amounts, equivalent to the "BADLAR Bancos Privados Corrected" rate, plus a margin of 550 basis points.

The amount outstanding under the Agreement as of December 31, 2011, totals $ 15,717.939, which is included under "Loans" in the sum of $ 189,939 and $15,528,000 under current and non-current liabilities, respectively.

Note 15 Loans (continued)

B) Construction Financing Agreement secured by a mortgage in United States dollars:

I. The loan had a maximum of US$ 12,000,000. Following is a summary of the sums disbursed by the Bank.

#	Date	Total Amount
1	08/19/2011	US$ 2,800,000
2	08/29/2011	US$ 100,019
3	10/07/2011	US$ 285,007
4	10/31/2011	US$ 256,798
5	12/02/2011	US$ 632,268
6	12/29/2011	US$ 105,054
		US$ 4,179,146

The balance on the loan, i.e. the sum of US$ 7,820,854, will be loaned through disbursements made within timeframes of no less than thirty (30) days and no greater than ninety (90) days, proportionate to the progress of the works and subject to delivery—to the full satisfaction of the Bank—of certain information on the project and the technical verifications that the Bank will conduct regarding completion of the works.

The term established was 16 months. The principal loaned is to be reimbursed to the Bank in pesos within a maximum, non-extendable deadline of June 15, 2013. Canfot S.A. is allowed the possibility of making prepayments with funds obtained from presales of the project's units without any kind of penalty being applied by the Bank.

II. All sums disbursed by the Bank shall accrue, every month until full repaid, interest on the outstanding balance equivalent to the fixed annual nominal interest rate in dollars of 9.5%.

The amount outstanding on the Agreement as of December 31, 2011, totals $ 18,056,078, which is included under "Loans" in the sum of $ 69,034 and $17,987,044 under current and non-current liabilities, respectively

Canfot S.A., to secure this financing and correct performance of its obligations under the same, has furnished a first-priority mortgage in favor of the Bank over the property where it is developing the Forum Alcorta project.

3. Maltería del Puerto S.A. applied with certain shareholders for several credit facilities to fund works and other expenses related to the development and construction of the Forum Puerto Norte project. The disbursement of the funds must be requested by Maltería del Puerto S.A., providing for its refund within a maximum of 1 year, from the date of each requested disbursement.

The principal disbursed by the shareholders of Maltería del Puerto S.A. will accrue current interest at a nominal annual rate, calculated on disbursed principal, and will be paid together with principal on the stipulated due.

The breakdown of each credit facility applied for by Maltería del Puerto S.A. as of December 31, 2011, is detailed below:

Shareholder	#	Date	Total amount	Amount requested	Amount paid	Rate
Osvaldo Roberto Paladini	1	04/11/2011	US$ 400,000	US$ 400,000	US$ 400,000	9%
	2	05/20/2011	US$ 400,000	US$ 400,000	US$ 400,000	10%
Juan Carlos Rossetti	1	04/12/2011	US$ 400,000	US$ 400,000	US$ 400,000	9%
Eduardo Rubén Glusman	1	04/15/2011	US$ 400,000	US$ 300,000	US$ 300,000	9%
Juan Carlos Paladini	1	04/15/2011	US$ 800,000	US$ 800,000	US$ 800,000	9%
	2	07/18/2011	US$ 200,000	US$ 200,000	US$ 193,939	9%
			US$ 2,600,000	US$ 2,500,000	US$ 2,493,939	

US$: United States dollars.

Note 15 Loans (continued)

The amount outstanding under the above credit facilities as of December 11, 2011, totals $ 11,364,748 (principal plus interest), shown under current liabilities as “Loans”.

4. On December 15, 2010, Marina Río Luján S.A. applied with its shareholders for a credit facility totaling US$ 750,000 each to finance works and other expenses related to the development and construction of the project. The disbursement of the funds must be requested by the Company, providing for its refund within a minimum of 6 months and a maximum of 1 year, from the date of the requested disbursement, but in no case later than December 15, 2011. The principal disbursed by the shareholders will accrue current interest at a nominal 8% annual rate, calculated on disbursed principal, and will be paid together with principal on the stipulated due date.

   On December 15, 2011, the Company agreed with its shareholders on an extension until April 1, 2012, for the due date to pay all the outstanding sums of principal and interest, both interest previously or thereafter accruing and on the outstanding principal.

   On October 4, 2011, it applied for a new credit facility with its shareholder, TGLT S.A. and Marcelo Gómez Pietro totaling US$500,000 each, to finance works and other expenses related to the development and construction of the project. The funds were disbursed in October and November 2011.

   The principal disbursed by the shareholders earns current interest at a nominal annual rate of 8% on disbursed principal. The date on which the Company agreed to repay principal and interest on the loan is October 3, 2012.

   The amount outstanding under the above credit facilities as of December 31, 2011, totals $ 2,839,857 (principal plus interest), shown under current liabilities as “Loans”.

5. The Company entered into certain loan agreements with Sociedad Italiana de S.M.P. (“Sociedad Italiana”). In all cases, the principal disbursed by Sociedad Italiana will accrue interest at a nominal annual rate on outstanding balances, to be paid in twelve consecutive monthly installments starting the month following execution of the loan agreements, repaying principal with the last installment.

   The breakdown of each loan agreement executed as of December 31, 2011, is detailed below:

#	Date	Amount	Rate
1	07/29/2011	US$ 505,310	10.14 %
2	07/29/2011	US$ 505,310	10.14 %
		US$ 1,060,620	

   US$: United States dollars.

   The amount outstanding on the loan agreements executed between the Company and Sociedad Italiana as of December 31, 2011, totals $ 4,385,955 (principal plus interest), included under current liabilities as “Loans”.

Note 16 Management and development & administration agreements

a. Canfot S.A.:

On October 27, 2009, Canfot S.A. and the Company entered into a management agreement pursuant to which Canfot entrusted the Company with the management, administration, accounting, and other aspects associated with operating and selling the Forum Alcorta project.

For said services, the parties agreed on the payment of 48 monthly installments of US$ 67,000 plus VAT in favor of the Company, which cannot exceed 2% of the project’s aggregate gross sales; however, if once said amounts have been paid in full said amount exceeds the 2% limit provided for above, the relevant party must pay the difference to the other party. Furthermore, another form of variable compensation in favor of the Company is established aside from the above payment, associated with Canfot S.A.’s net and earned profits.

Note 16 Management and development & administration agreements (continued)

a. Canfot S.A. (continued):

Additionally, on that date the parties entered into a sales services agreement whereby the Company will be in charge of promoting and selling the Forum Alcorta project.

For those promotion and sales services, Canfot will pay the Company 2% of the total value of gross sales of the units in the project mentioned in the preceding paragraph.

To adjust the terms and conditions of the aforementioned contracts to present circumstances, on July 1, 2011, the parties agreed to suspend the terms and conditions of the same.

As of the date of these financial statements, the Boards of Directors of both companies were analyzing the various different alternatives.

b. Marina Río Luján S.A. and Metro 21 S.A.:

On December 27, 2007 the Company, Marina Río Luján S.A. and Metro 21 S.A. entered into a Development and Management Agreement whereby the Company and Metro 21 were entrusted with managing the project known as "Venice." Pursuant to the provisions of the agreement, the developers (the Company and Metro 21 S.A.) take charge of managing the project, which includes supervising sales, management, administration, accounting activities, and in general, all of the aspects associated with management.

As consideration for their development services, Marina Río Luján S.A. will pay the developers a monthly amount of $150,000 plus VAT, of which $90,000 will be paid to the Company.

For product sales services (except those referred to as *Macrolotes*), Marina Río Luján S.A. shall pay the developers 2% plus VAT of the sales price of the products sold. Additionally, the developers reserve the right to charge the purchasers a commission of up to 2% of the sales price of the products plus VAT. Payments for sales services will be made until all the products have been sold.

As a result of the execution of several addendums to the Development and Management Agreement, entered into among the Company, Marina Río Luján and Metro 21 S.A., accrual of payments for Development Services was suspended in late 2009 and for 2010 in its entirety, resuming accrual on January 1, 2011. On June 1, 2011, the parties signed a new addendum to the development and management agreement to suspend accrual of payments for Development Services from June 1, 2011, until August 31, 2011, inclusive. Other addenda to the development and management agreement were executed subsequently, whereby the parties agreed to suspend accrual of the development service payments until April 1, 2012, inclusive.

c. Maltería del Puerto S.A.:

On September 18, 2008, the Company and Maltería del Puerto S.A. entered into a management agreement and on October 27, 2009, they executed an amendment to the same. Under that agreement, as amended, Maltería del Puerto S.A. entrusted the Company with the management, financial and commercial administration of the "Forum Puerto Norte" real estate development in the urban area known as "*Centro de Renovación Urbana Scalabrini Ortiz, Puerto Norte*" in the City of Rosario, Province of Santa Fe.

In consideration for its development services, Maltería del Puerto S.A. paid the Company US$ 200,000 before December 31, 2008, a monthly amount of US$ 80,000 from October through December 2008 (inclusive), and is paying a monthly amount of US$ 40,000 from January 2009 and until June 2011 (both inclusive), and US$ 20,000 from July 2011 until the end of the effective term of the agreement. Additionally, it is established that the aforementioned amounts may not exceed 2% of the sum of the gross sales of the project; however, if at the end of the effective term of the agreement—once the referred amounts have been paid in full—said amount exceeds the established limit, the difference shall be allocated to payment of the pending pre-sales commissions; if lower, Maltería del Puerto S.A. shall pay the difference within 30 calendar days from the expiration date of this agreement.

Note 16 Management and development & administration agreements (continued)

c. Maltería del Puerto S.A. (continued):

For sales and promotional services, Maltería del Puerto S.A. pays the Company 2% of the total value of gross sales of the units in the "Forum Puerto Norte" real estate development.

Note 17 Interests in other companies – Acquisitions and transfers

The Company has entered into several purchase agreements to acquire permanent interests in various different companies. Following is a summary of the most relevant information on those agreements:

1. Purchase and transfer of shares in Driway Corporation S.A. (Uruguay) - Canfot S.A.:

    a) On January 1, 2010, the Company executed a share purchase agreement with Mr. Moshe Kattan, whereby it acquired 36.08% of the capital and voting rights in Driway Corporation S.A. (Uruguay). At the date of the agreement, the latter company held a 69.12% stake in Canfot S.A.

    The price of the operation was agreed at US$ 13,600,000 and was to be paid before December 31, 2010, or within 10 days from the launch of the IPO (see Note 1) if earlier. The Company may opt for paying the purchase price for the equity package in Driway Corporation S.A. by transferring its own stock. As a result of the subscription of the Company's new shares within the framework of its public offering of shares (see Note 19),the Company paid the agreed price by transferring its own shares.

    b) On January 21, 2010, the Company executed a share purchase agreement with Constructora Sudamericana S.A., whereby it acquired 6.36% of the capital and voting rights in Driway Corporation S.A. (Uruguay). At the date of the agreement, the latter company held a 69.12% stake in Canfot S.A..

    The price of the operation was agreed at US$ 1,500,000 and was to be paid before December 31, 2010, or within 10 days from the launch of the IPO (see Note 1) if earlier.

    The Company could opt for paying the purchase price for the equity package in Driway Corporation S.A. by transferring its own shares.

    As a result of the subscription of the Company's new shares within the framework of its public offering of shares (see Note 19.), the Company paid the agreed price by transferring its own shares.

    c) On February 9, 2010, the Company executed a share purchase agreement with PDG Realty S.A. Empreendimentos e Participações, whereby it acquired 28.78% of the capital and voting rights in Driway Corporation S.A. (Uruguay). At the date of the agreement, the latter company held a 69.12% stake in Canfot S.A.

The price of this transaction was to be the one obtained by multiplying 3,315,292 by the subscription price of the Company's share (par value plus issuance premium) in the public offering for its shares (see Note 1), converted into US dollars using the average exchange rate (between call and put) of the Central Bank of Argentina at the closing date on which the Company publicly offers its shares. The price of the operation was to be paid before December 31, 2010, or within 10 days from receiving authorization to launch the IPO, if earlier

The Company could opt for paying the purchase price for the equity package in Driway Corporation S.A. (Uruguay) through the delivery of its own stock. As a result of the subscription of the Company's new shares within the framework of its public offering of shares (see Note 19.), the Company paid the agreed price by transferring its own shares.

Note 17 Interests in other companies – Acquisitions and transfers (continued)

a) Purchase and transfer of shares in Driway Corporation S.A. (Uruguay) - Canfot S.A. (continued):

The early dissolution and wind-up of Driway Corporation S.A. was resolved upon by the General Special Shareholders' Meeting of that company held on February 12, 2010, as well as the transfer of its assets (consisting in shares representing a 69.12% equity interest and voting rights in Canfot S.A.) in favor of its shareholders. As a result of the above and of the agreements executed by it, the Company has received 21,302,587 shares representing 44.16% of the corporate equity and votes in Canfot S.A., which combined with the interest the Company had previously adds up to 75.04% of the corporate equity of Canfot S.A. as of that date.

On June 14, 2011, the Company executed a stock purchase agreement with Mr. Ricardo Depresbiteris whereby it acquired 24.96% of the capital and votes in Canfot S.A. in the sum of US$ 7,500,000. As of December 31, 2011, the Company had paid the agreed price in its entirety.

On September 13, 2011, the Company entered into a share purchase agreement with Kondor Fund, SPC – Kondor Properties Segregated Portfolio ("Kondor"), whereby it transferred 4,383,235 shares in Canfot S.A. (representing 9.09% of corporate equity and votes) in the sum of US$ 2,900,000.

As a result of the transactions mentioned above, the Company held 90.91% of the equity and votes in Canfot S.A. as of December 31, 2011.

2. Acquisition of shares in Maltería del Puerto S.A.:

On February 11, 2010, PDG Realty S.A. Empreendimentos e Participações accepted the Company's offer to acquire the entire interest held by PDG Realty S.A. Empreendimentos e Participações in Maltería del Puerto S.A., as a result of which the Company acquired a 62.02% stake in the equity interest and voting power in Maltería del Puerto S.A.

The price of this transaction was to be the result of multiplying 6,559,083 by the subscription price of the Company's share (par value plus issuance premium) in the public offering for its shares (see Note 1), converted into U.S. dollars using the average exchange rate (between buyer and seller) of the Central Bank of Argentina at the closing date on which the Company publicly offers its shares. The price of the operation was to be paid before December 31, 2010, or within 10 days from receiving authorization to launch the IPO, if earlier.

The Company could opt for paying the purchase price for the equity package in Maltería del Puerto S.A. by transferring its own stock.

As a result of the subscription of the Company's new shares within the framework of its public offering of shares (see Note 19.), the Company paid the agreed price by transferring its own shares.

3. Purchase of shares in Marina RL LLC (Delaware) and Piedras Claras S.A. (Uruguay) - Marina Río Luján S.A.:

a) On January 28, 2010, the Company entered into a share purchase agreement with Bastow S.A., whereby it acquired a 50% equity interest and voting power in Marina RL LLC (Delaware), indirect shareholder of Marina Río Luján S.A., through its subsidiary Marinas Río de la Plata SLA (Spain). As a result of the purchase of the aforementioned shares, the Company acquired an indirect 25% stake in the corporate equity and votes in Marina Río Luján S.A.

   The price of the operation was agreed at US$ 10,600,000 and was to be paid before December 31, 2010, or within 10 days from the launch of the IPO (see Note 1) if earlier.

   The Company could opt for paying the purchase price for the equity package in Marina RL LLC (Delaware) by transferring its own stock.

   As a result of the subscription of the Company's new shares within the framework of its public offering of shares (see Note 19). To the individual financial statements) the Company paid the agreed price by transferring its own shares to the date of issuance of these financial statements.

Note 17 Interests in other companies – Acquisitions and transfers (continued)

b) On February 9, 2010, the Company entered into a share purchase agreement with PDG Realty S.A. Empreendimentos e Participações, whereby it acquired an 80% equity interest and voting power in Piedras Claras S.A. (Uruguay), indirect shareholder of Marina Río Luján S.A. As a result of the purchase of the aforementioned shares, the Company acquired an indirect 25% stake in the corporate equity and votes in Marina Río Luján S.A.

The price of this transaction was to be yielded by multiplying 2,542,292 by the subscription price of the Company's share (par value plus issuance premium) in the public offering for its shares (see Note 1), converted into US dollars using the average exchange rate (between call and put) of the Central Bank of Argentina at the closing date on which the Company publicly offers its shares. The price of the operation was to be paid before December 31, 2010, or within 10 days from the launch of the IPO (see Note 1.) if earlier. The Company could opt for paying the purchase price for the equity package in Piedras Claras S.A. (Uruguay) by transferring its own stock.

As a result of the subscription of the Company's new shares within the framework of its public offering of shares (see Note 19.) the Company paid the agreed price by transferring its own shares.

The early dissolution and wind-up of Piedras Claras S.A. (Uruguay) was resolved upon by the General Special Shareholders' Meeting of that company held on February 19, 2010, as well as the transfer of its assets (consisting in shares representing a 50% equity interest and voting power in Marina RL LLC (Delaware) in favor of its only shareholder: the Company.

Moreover, on that same, date, Marinas Río de la Plata SL (Spain) reduced its capital and assigned its holdings in Marina Río Luján S.A. to its only shareholder, Marina RL LLC (Delaware). On February 22, 2010, Marina RL LLC (Delaware) was dissolved and its holdings in Marina Río Luján S.A. were assigned to its only shareholder: the Company, who thereby became a direct 50% shareholder (Note 12.4) of the corporate equity and voting rights in that company.

4. Purchase and sale of shares in Pico y Cabildo S.A.:

a) On March 30, 2011, the Company entered into a purchase agreement for the entire equity package at "Pico and Cabildo S.A.", with the shareholders of that company (the "Sellers"). The transfer of 95% of the shares to the Company took place on April 14, 2011 (the "First Closing Date") and the transfer of the remaining 5% of the shares to the Company or its nominee took place on June 2, 2011 (the "Second Closing Date").

The main asset held by Pico and Cabildo S.A. is two (2) parcels of land located in the neighborhood of Núñez, Autonomous City of Buenos Aires, as per the following breakdown (collectively, the "Property"):

a) Vedia Street Nos. 2332 / 2334 / 2340 / 2342 / 2348 / 2350 between Cabildo Avenue and Vuelta de Obligado Street; Real Estate Inventory Classification: Circumscription: 16; Section: 29; Block: 12; parcel 4b; License FR 16-48561; and b) Cabildo Avenue Nos. 4801 / 4827 / 4829 / 4833 / 4837 / 4847 / 4861 corner with Pico Street 2329 / 2335 / 2339 / 2347 / 2351 / 2357 / 2331 / 2365 / 2395 / 2397; Real Estate Inventory Classification: Circumscription: 16; Section: 29; Block: 12; Parcel 4c; License: FR 16-48562.

The total purchase price for the shares was agreed at US$ 12,600,000. The terms of payment are as follows:

(i) US$ 2,199,354 was paid by the Company's delivery to the Sellers of bills of sale for functional units in the "Astor" development that the Company is building on the property it owns on Beruti Street No. 3351 in the Autonomous City of Buenos Aires.

(ii) US$ 6,184,775 was paid in cash on June 30, 2011.

(iii) US$ 4,215,877 will be paid in cash on January 30, 2012.

Note 17 Interests in other companies – Acquisitions and transfers (continued)

As security for the payment of the balance on the cash price, the Company furnished a first-priority pledge on the shares by executing a share pledge agreement in favor of the Sellers (see Note 12.3).

b) On September 13, 2011, the Company transferred to Canfot S.A. shares representing 3% of equity and votes in Pico y Cabildo S.A. in the sum of $ 1,587,601.

As a result of the transactions mentioned in the preceding points, the Company held a direct interest in the equity and votes of Pico y Cabildo totaling 97%.

5. Acquisition of shares in Birzey International S.A. and Miwok S.A. (Uruguay)

On October 5, 2011, the Company entered into a share purchase agreement whereby it acquired 100% of the equity package in Birzey International S.A. in the sum of US$ 5,100.

Birzey International S.A., a company incorporated under the laws of the Oriental Republic of Uruguay, was acquired by the Company in order to expand its businesses in that country.

Moreover, on November 22, 2011, Birzey International S.A. acquired 100% of the equity package in Miwok S.A. in the sum of US$ 5,100.

Miwok S.A., a company incorporated under the laws of the Oriental Republic of Uruguay, was acquired in order to develop the "Forum Puerto del Buceo" real estate development in that country.

Note 18 Acquisition of real estate properties

1. Property for the "Astor Palermo" development

On October 13, 2010, the Company executed a promissory agreement with Alto Palermo S.A. ("APSA") for the purchase of a property located in the City of City of Buenos Aires, the front of which is on 3351/59 Beruti Street, between Bulnes and Av. Coronel Díaz, with Real Estate Inventory Classification: Circumscription: 19; Section: 15; Block: 15; Plot 11-S (the "Plot"). TGLT S.A. is planning on erecting an apartment building on the plot with residential and commercial parking lots.

As consideration for the acquisition of the Property, TGLT agreed to transfer to APSA: (i) a number to be determined of functional housing units jointly representing 17.33% of the Company's own sellable square meters of residential space in the building to be erected; (ii) a number to be determined of supplementary/functional parking units jointly representing 15.82% of the Company's own square meters of parking space in the same building, (iii) the total amount of functional units to be used as commercial parking spaces; and (iv) US$ 10,700,000, which were paid on November 5, 2010.

On December 16, 2010 the transfer of title to the Property was executed, with Alto Palermo S.A. as the seller and the Company as the purchaser.

As a result of the property purchase and to secure performance of all the obligations TGLT assumed vis-à-vis APSA, TGLT furnished a first-priority mortgage over that property in favor of APSA. The mortgage is valued at US$8,143,231 (see Note 12.5).

This property is also subject to three gratuitous, perpetual, continuous and non-apparent easements, as a servient estate in favor of the property where the "Alto Palermo Shopping" mall is located, the latter as the dominant estate, in relation to any structures erected on the servient estate and the future use of the functional units to be eventually built on the servient estate.

On June 9, 2011, the 9th Court for Adversary Administrative and Tax Matters of the Autonomous City of Buenos Aires, 18th Clerk's Office, granted pretrial injunctive relief in the proceedings captioned *"Asociación Amigos Alto Palermo c/ Gobierno de la Ciudad de Buenos Aires s/ Amparo"* (Art. 14 CCABA) No. 41,544 (see Note 14).

Note 18 Acquisition of real estate properties (continued)

2. Project temporarily known as "FACA"

On March 15, 2011, the Company executed a memorandum of understanding with Servicios Portuarios S.A. ("SP") for the Company (or a controlled subsidiary of the same) to purchase a property located in the city of Rosario, Province of Santa Fe, which adjoins the property on which "Forum Puerto Norte" project that belongs to subsidiary Maltería del Puerto S.A. is located (the "Property").

Under the memorandum of understanding, the parties agreed to enter into bona fide negotiations for the definitive terms and conditions of the contracts, agreements and documents that will set out the rights and obligations of the parties for the joint development of a real estate project on the Property within 6 months from the execution of the memorandum of understanding, which term may be extended on a one-time basis for 3 additional months by any of the parties. On December 21, 2011 (but effective retroactively to December 15, 2011, when the extension had expired), the parties agreed to extend the term of the MoU until March 15, 2012.

The total surface area of the Property is app. 84,000 m2, resulting from an FOT of 117,000 m2 and a sellable and/or marketable area of app. 121,000 m2 plus 1,380 parking spaces. TGLT S.A. (or a controlled subsidiary of TGLT S.A.) will acquire the Property where the Company will erect several premium-quality buildings that will include, among other things, apartments, commercial establishments, storerooms, parking spaces, boathouse, piers, marinas, etc.

This development will be built in two stages, as evident from the ordinances and other municipal regulations of Rosario: Stage I (construction units 1 and 2), and Stages II, III and IV (construction units 3, 4 and 5).

The purchase price will be US$ 28,000,000. Also, the Company will offset the sums paid by SP for the works on Luis Candido Carballo Avenue, totaling $ 8,408,701, plus Value Added Tax.

As of December 31, 2011, the Company includes the advance payment made toward the purchase of the property mentioned in the preceding paragraphs in "Inventory", under non-current assets.

3. Property for the "Astor Caballito" development

On June 29, 2011, the Company entered into an exchange acquisition operation for a lot located in this city, with the following Real Estate Inventory Classification: Circumscription: 7; Section: 45; Item: 179-579-02 (the "Property"), owned by IRSA Inversiones and Representaciones Sociedad Anónima ("IRSA"). The Company intends to develop a housing project on the Property.

As consideration for the acquisition of the property, TGLT agreed to transfer to IRSA: (i) a number to be determined of functional housing units (apartments), on aggregate representing 23.10% of the proprietary sellable square meters destined for housing (apartments) in the building to be erected; (ii) a number to be determined of parking spaces, on aggregate representing 21.10% of the proprietary parking square meters located in the two underground levels of the real estate development to be built by TGLT in the Property; (iii) If the Company builds additional storerooms, a number to be determined of additional storerooms equivalent to 21.1% of the proprietary storeroom square meters in the buildings that the Company will erect on the Property; and (iv) the sum of US$ 159,375 payable within forty eight (48) hours after execution and delivery of the transaction documentation. The percentages specified in (i) above would be reduced by up to 21% of the sellable housing square meters (apartments) if possession of the units subject to this exchange is made before the deadlines agreed in the contractual documentation. To secure its obligations under the exchange, TGLT furnished a first-priority mortgage in favor of IRSA over the Property, for up to the sum of US$12,750,000 plus interest, costs and expenses as applicable (see Note 12.2).

Note 18 Acquisition of real estate properties (continued)

4. Property for the "Forum Puerto del Buceo" development

On December 28, 2011, Miwok S.A. executed a Reservation for the acquisition of a property located on the corner of Rambla Armenia and Rambla Costanera de Pocitos in the Port of Buceo, City of Montevideo, Oriental Republic of Uruguay, measuring app. 10,765 square meters.

Following are the main conditions agreed:

a) The offeror, Héctor Colella Coix (owner of 90% of the property), agrees to reserve for sale to the acceptor, Miwok S.A., who accepts and in turn agrees to acquire the aforementioned property.

b) The price of this transaction is US$ 24,000,000, to be paid as follows:

   i. The sum of US$ 600,000 when signing the purchase instrument.

   ii. The sum of US$ 5,400,000 on March 31, 2012.

   iii. The sum of US$ 6,000,000 on March 31, 2013.

   iv. The sum of US$ 12,000,000 by selling (i) thirty-four (34) future condominium units, on aggregate with a surface area of 5,845 m2 and (ii) fifty-four (54) parking spaces in the same building to be erected on the property.

c) To secure payment of the price balance, the acceptor will furnish a first-priority mortgage on the property in favor of the offeror.

d) The purchase instrument will be executed within 30 days from the execution of this Reservation.

On January 5, 2012, as between Miwok S.A. (the buyer) and Héctor Fernando Colella Moix, Marta Eugenia Ortiz Fissore and Tomás Romay Buero the sellers, who own 100% of the property) executed the purchase instrument for the property, which document included the main terms and conditions agreed in the Reservation executed on December 28, 2011.

To secure the obligations assumed under that operation, several security instruments were furnished in favor of the sellers (see Note 12.7).

As of the date of these financial statements, US$ 600,000 had already been paid as stipulated in the executed purchase instrument.

Note 19 IPO – Outcome of subscription

In accordance with the terms and conditions of the informative prospectus issued by the Company on October 14, 2010, the Company made a public offering of up to 45,400,000 common book-entry shares at a par value of $ 1 peso per share, with the possibility of expanding it to 61,800,000 common book-entry shares at a par value of $ 1 peso per share and 1 voting right per share.

The Company offered up to 30,400,000 new shares in Argentina and 15,000,000 new shares as Global Depositary Shares represented by Global Depositary Receipts in the United States of America and countries other than Argentina.

The subscription period of the new shares took place between October 21 2010, and October 28, 2010, both dates included.

On October 29, 2010, having completed the subscription period of the new shares, the Board of Directors of the Company set the subscription price at $ 9.034 per common share, as a result of the demand curve drafted in accordance with the subscription orders received during the stock subscription period.

As a result of the underwriting under the IPO, 47,999,485 new shares were issued, of which 31,984,275 shares were subscribed in the local offering in Argentina, and 16,015,210 shares were subscribed in the international offering as Global Depositary Receipts.

Payment of the new shares was made in cash and by capitalizing the credits as a result of obligations taken by the Company pursuant to the acquisition of interest in other companies (see Note 17.).

Note 19 IPO – Outcome of subscription

As a result of the underwriting under the IPO, 47,999,485 new shares were issued, of which 31,984,275 shares were subscribed in the local offering in Argentina, and 16,015,210 shares were subscribed in the international offering as Global Depositary Receipts.

Payment of the new shares was made in cash and by capitalizing the credits as a result of obligations taken by the Company pursuant to the acquisition of interest in other companies (see Note 17.).

Note 20 Limits under article 32 of Law No. 19550

As of December 31, 2011, Canfot S.A. includes under "Long-Term Investments" its interest in Pico y Cabildo S.A. in the sum of $1,537,327. As of such date, Canfot S.A. had exceeded the limit set out in the second paragraph of article 32 of Law 19550 (reciprocal interests) in the sum of $ 968,081.

Consequently, the Board of Directors of Canfot S.A. must decide on what to do with said interest within 6 months from the approval of these financial statements.

Note 21 Reconciliation to International Financial Reporting Standards (IFRS)

21.1 Rules applied

In preparing the reconciliations included in this Note, Company Management has considered the IFRS deemed applicable in preparing the first annual financial statements submitted under IFRS, for the year ended as of December 31, 2012. However, the entries and sums included in these reconciliations may be modified to the extent that, when the annual financial statements are prepared in accordance with IFRS, new rules should be issued or the existing ones modified, applied on a mandatory or anticipated authorized fashion as of such date, or if a change to any of the exemptions indicated in IFRS 1 is opted for.

Moreover, material accounting determinations and estimates made by Management to determine the amounts under IFRS as of January 1, 2011 (IFRS transition date) and as of December 31, 2011, were consistent with those made as of those dates under current Professional Accounting Standards and reflect the conditions prevalent as of the respective dates.

21.2 Accounting metrics and reporting criteria

Following is a summary of the main accounting policies applied by the Company in preparing the balance sheets and income statements as of December 31, 2011 and 2010, prepared according to IFRS, which served as the basis for reconciling those financial statements with the financial statements prepared under current Professional Accounting Standards:

a. Inventory

According to the 15th International Financial Reporting Standards Interpretation Committee (IFRSIC), the Company may not recognize its revenues under IAS 11 because its operations do not qualify as "construction contracts". This is why its inventories have been measured in accordance to their net realizable cost or value, whichever is lower, according to IAS 2.9.

b. Properties, Plant and Equipment and Intangible Assets

The Company has not used the voluntary exemption allowed under IFRS 1 (appendix D) to initially allocate an assumed cost to property, plant and equipment elements.

The evaluations made by the Company show that opting for obtaining fair value on the transition date:

a) was costlier than reconstructing the accounting metrics those elements should have under IFRS;

Note 21 Reconciliation to International Financial Reporting Standards (IFRS) (continued)

21.2 Accounting metrics and reporting criteria (continued)

b. Properties, Plant and Equipment and Intangible Assets (continued)

b) was not necessary because the Company's subsequent metrics policy determined for these assets was cost minus accumulated depreciations and accumulated wear.

This option was also not selected for intangible assets since they lack an active market as defined by IAS 38.

c. Business combinations

The Company opted for restating business combinations that preceded the IFRS transition date (December 31, 2010) and the acquisition of its interest in the "Marina Río Luján S.A." joint venture, as provided in IFRS 1.

Thus, the Company has recognized all the assets and liabilities on the date of the business combinations that preceded the IFRS transition date and measured them as of such date on the basis of their fair values on the date of acquisition, as required by IFRS 3 "Business Combinations" and IAS 31 "Joint Ventures".

Moreover, minority interests acquired in business combinations that preceded the IFRS transition date (Canfot S.A. y Maltería del Puerto S.A.) were recalculated and updated

a) from the date of acquisition of each business combination until December 31, 2010 (IFRS transition date), this being the sum shown for such item in the opening balance sheet; and

b) from December 31, 2010 to December 31, 2011, according to minority interests on results obtained during 2011 by controlled entities and changes occurring this year that have not resulted to changes in the control relationships; this is the sum indicated for said item in the balance sheet as of December 31, 2011, according to IFRS.

Finally, on recalculating the business combinations that preceded the IFRS transition date (and the acquisition of the "Marina Río Luján S.A." joint venture), the Company has also proceeded to recalculate goodwill related to those acquisitions.

d. Goodwill

This results from the restatements of business combinations prior to December 31, 2010. According to IAS 36, the relevant recoverability tests were conducted, without any wear to be calculated in the cash generation units (CGU) that include recognized goodwill.

e. Recognition of revenues

IAS 18 provides that revenues from unit sales are recognized when each of the following conditions is met:

a) The Company has transferred material title risks and benefits to the buyer;

b) The amount of revenues may be measured reliably;

c) The entity does not keep for itself any activity related to the ordinary management of the sold assets, to the extent usually related to title, nor does it maintain actual control over the same;

Note 21 Reconciliation to IFRS (continued)

21.2 Accounting metrics and reporting criteria (continued)

e. Recognition of revenues (continued)

d) The Company will probably receive the economic benefits related to the transaction; and

e) The costs incurred or to be incurred in relation to the transaction may be measured reliably.

f. Classification of items into current and noncurrent

The Company classifies an asset as current when it meets any of the following criteria:

a) It is expected to be realized or is intended to be sold or consumed during the normal business cycle of the entity;

b) It is held mainly for trading purposes;

c) It is expected to be realized within 12 months following the balance sheet date; or

d) It is cash or cash equivalent (as defined in IFRS 7), the use of which is not restricted, to be exchanged or used to pay off a liability, at least within the 12 months following the balance sheet date.

All other assets are classified as noncurrent.

Moreover, liabilities are shown as current when they meet any of the following criteria:

a) they are expected to be retired in the normal business cycle of the entity;

b) It is held mainly for trading purposes;

c) It is expected to be retired within 12 months following the balance sheet date; or

d) The entity does not have an unconditional right to postpone retirement of the debt for at least 12 months after the balance sheet date.

All other liabilities are classified as noncurrent.

IAS 1 provides that the normal business cycle of the entity is the period of time elapsed between the acquisition of the tangible assets that enter the productive process and the realization of the products in the form of cash or cash equivalents. In the case of real estate developments, which are the company's main line of business, the normal business cycle is that which starts with the launch of sales and construction activities and ends with the delivery of the functional units. When the normal business cycle of an entity is not clearly identifiable, it is assumed to be 12 months.

Note 21 Reconciliation to IFRS (continued)

21.3 Reconciliation of balance sheets as of December 31, 2011 and 2010

	Ref.	As of December 31, 2011			As of December 31, 2010		
		Argentine GAAP	Transition effect	IFRS	Argentine GAAP	Transition effect	IFRS
ASSETS							
Current assets							
Cash and banks	(a)	11,536,261	65,511,195	77,047,456	170,236,988	7,722,343	177,959,331
Short-term investments	(a)	65,511,195	(65,511,195)	-	7,722,343	(7,722,343)	-
Trade receivables		8,551,085	-	8,551,085	-	-	-
Other receivables	(b)	28,648,342	80,123,132	108,771,474	10,715,944	13,394,474	24,110,418
Inventory	(c)	278,530,330	549,048,986	827,579,316	-	508,351,830	508,351,830
Total current assets		392,777,213	629,161,615	1,021,938,828	188,675,275	521,746,304	710,421,579
Noncurrent assets							
Other receivables	(b)	19,481,776	(18,528,654)	953,122	14,143,866	(13,697,561)	446,305
Inventory	(c)	635,529,058	(635,529,058)	-	484,840,279	(484,840,279)	-
Fixed assets		858,789	2,511,501	3,370,290	334,598	1,538,979	1,873,577
Intangible assets		766,345	-	766,345	227,133	-	227,133
Tax assets	(e)	-	43,618,506	43,618,506	-	19,174,686	19,174,686
Goodwill	(d)	38,908,915	105,390,160	144,299,075	34,777,969	97,123,827	131,901,796
Total noncurrent assets		695,544,883	(502,537,545)	193,007,338	534,323,845	(380,700,348)	153,623,497
Total assets		**1,088,322,096**	**126,624,070**	**1,214,926,166**	**722,999,120**	**141,045,956**	**864,045,076**

Nota 21 Reconciliation to IFRS (continued)

21.3 Reconciliation of balance sheets as of December 31, 2011 and 2010 (continued)

	Ref.	As of December 31, 2011			As of December 31, 2010		
		Argentine GAAP	Transition effect	IFRS	Argentine GAAP	Transition effect	IFRS
LIABILITIES							
Current liabilities							
Trade payables	(f)	46,568,605	44,397,813	90,966,418	22,531,080	345,237	22,876,317
Loans		30,747,267	-	30,747,267	677,293	-	677,293
Wages and social security contributions		2,370,807	(229,664)	2,141,143	790,019	6,852	796,871
Income tax		-	4,288,299	4,288,299	-	3,813,884	3,813,884
Taxes payable		7,033,300	(4,288,299)	2,745,001	6,842,023	(3,813,884)	3,028,139
Customer advances		188,982,769	277,372,003	466,354,772	-	227,322,697	227,322,697
Other liabilities		25,216,707	-	25,216,707	-	-	
Total current liabilities		300,919,455	321,540,152	622,459,607	30,840,415	227,674,786	258,515,201
Noncurrent liabilities							
Trade payables	(f)	44,465,033	(44,465,033)	-	385,237	(385,237)	-
Loans		33,515,044	-	33,515,044	12,000,000	-	12,000,000
Taxes payable		5,405,022	(5,030,383)	374,639	406,420	-	406,420
Deferred tax liabilities	(e)	-	73,473,665	73,473,665	-	62,118,485	62,118,485
Customer advances	(f)	277,372,003	(277,372,003)	-	227,322,697	(227,322,697)	-
Total noncurrent liabilities		360,757,102	(253,393,754)	107,363,348	240,114,354	(165,589,449)	74,524,905
Total liabilities		**661,676,557**	**68,146,398**	**729,822,955**	**270,954,769**	**62,085,337**	**333,040,106**
Minority interests		13,313,905	(13,313,905)	-	16,399,743	(16,399,743)	-
SHAREHOLDERS' EQUITY	(g)	**413,331,634**	**71,791,577**	**485,123,211**	**435,644,608**	**95,360,362**	**531,004,970**
Total liabilities, minority interests and shareholders' equity		**1,088,322,096**	**126,624,070**	**1,214,946,166**	**722,999,120**	**141,045,956**	**864,045,076**

Following is a summary of the causes for the most significant effects of implementing IFRS in relation to the balance sheets as of December 31, 2011 and 2010:

Ref.	Details
(a)	Current investments (classified as such according to GAAP in effect as of that date) were reclassified as cash equivalents as provided in IAS 7.
(b)	As of December 31, 2011 and 2010, the most significant effect from the application of IFRS was the inclusion of "Advance Payments to Suppliers" into this item (classified as "Inventory" under GAAP) and the segregation of current and deferred tax balances in a separate entry (classified under the same entry in accordance with GAAP).

Nota 21 Reconciliation to IFRS (continued)

21.3 Reconciliation of balance sheets as of December 31, 2011 and 2010 (continued)

Ref.	Details
(c)	IAS 1 provides that inventory is part of current assets since it is consumed in a business cycle. Thus, inventory is shown in current assets under IFRS. Moreover, and as mentioned in point (b), advance payments to supplies were reclassified as "Other Receivables" according to those regulations. Since the Company must measure inventory pursuant to IAS 2, the amount shown as the valuation of assets at net realization value (on the basis of percentage completion and sales) was cancelled, as well as certain triggered expenses that must be debited to period results under IFRS. Moreover, Showroom items were reclassified a Fixed Assets.
(d)	Business combinations dating prior to December 31, 2010, were recalculated to yield new goodwill. As required under IAS 36, the recoverability tests were performed, and no deterioration arose that would have to be included in calculating cash generation units (CGU) that include recognized goodwill.
(e)	As provided in paragraph 70 of IAS 1, the Company has reclassified accounts payable and customer advances from noncurrent to current entries, since they are part of the Company's business cycle.
(f)	As required by IAS 1, Deferred tax balances are shown separately, depending on whether they are assets or liabilities. In relation to Deferred Tax Assets, they are mostly accumulated tax losses. In relation to Deferred Tax Liabilities, these are tax effects resulting from calculating business combinations under IFRS.
(g)	This is shown in the following breakdown:

	As of December 31, 2011			As of December 31, 2010		
SHAREHOLDERS' EQUITY	Argentine GAAP	Transition effect	IFRS	Argentine GAAP	Transition effect	IFRS
Corporate capital	70,349,485	-	70,349,485	70,349,485	-	70,349,485
Issuance premium	378,208,774	-	378,208,774	378,208,774	-	378,208,774
Reserve for subsidiaries	6,338,982	(6,338,982)	-	6,972,811	(6,972,811)	-
Capital contributions	-	9,420,219	9,420,219	-	-	-
Conversion difference	-	(9,671)	(9,671)	-	-	-
Statutory reserve	4,000	-	4,000	4,000	-	4,000
Non-allocated results	(41,569,607)	52,703,205	11,133,598	(19,890,462)	72,431,657	52,541,195
Total shareholders' equity attributable to Company	413,331,634	55,774,771	469,106,405	435,644,608	65,458,846	501,103,454
Minority interest	-	16,016,806	16,016,806	-	29,901,516	29,901,516
Total shareholders' equity	**413,331,634**	**71,791,577**	**485,123,211**	**435,644,608**	**95,360,362**	**531,004,970**

Nota 21 Reconciliation to IFRS (continued)

21.4 Reconciliation of income statement as of December 31, 2011

	Ref.	As of December 31, 2011 Argentine GAAP	Transition effect	IFRS
Income		32,144,147	(16,992,724)	15,151,423
Cost of goods sold		(13,801,757)	6,426,655	(7,375,102)
Cost of services rendered		(16,017,964)	16,017,964	-
Gross profit		**2,324,426**	**5,451,895**	**7,776,321**
Income from valuation of inventory at net realization value	(1)	34,516,581	(34,516,581)	-
Sales expenses	(2)	(10,252,833)	(3,828,771)	(14,081,604)
Administrative expenses		(11,055,019)	-	(11,055,019)
Operational results		**15,533,155**	**(32,893,457)**	**(17,360,302)**
Long-term investment results		-	-	-
Goodwill depreciation	(3)	(5,958,220)	5,958,220	-
Other expenses		(70,422)	(16,017,964)	(16,088,386)
Financial and holding revenue, net				
Generated by assets		18,808,132	-	18,808,132
Generated by liabilities		(37,915,360)	-	(37,915,360)
Other revenue and expenses, net		3,241,409	-	3,241,409
Period income before Income Tax		**(6,361,306)**	**(42,953,201)**	**(49,314,507)**
Income Tax		(10,222,664)	13,917,380	3,694,716
Minority interests	(4)	(5,095,175)	5,095,175	-
Period results		**(21,679,145)**	**(23,940,646)**	**(45,619,791)**
Other comprehensive changes				
Conversion difference		-	(9,671)	(9,671)
Total other comprehensive changes		-	(9,671)	(9,671)
Total comprehensive changes		**-**	**(45,629,462)**	**(45,629,462)**
Period result attributable to				
parent Company		**-**	**(41,407,507)**	**(41,407,507)**
minority interests		**-**	**(4,212,193)**	**(4,212,193)**
Total comprehensive changes attributable				
parent Company		**-**	**(41,407,507)**	**(41,407,507)**
minority interests		**-**	**(4,212,193)**	**(4,212,193)**

Result per share of common stock	
Base	**(0.31)**
Diluted	**(0.31)**

Nota 21 Reconciliation to IFRS (continued)

21.4 Reconciliation of income statement as of December 31, 2011 (continued)

Ref.	Details
(1)	The result from inventory valuation at net realization value ratably to percentage completion recognized under current GAAP has been reversed since income from inventory sales must be recognized as indicated in IAS 18 and its valuation must be made at cost or net realizable value, whichever is less (IAS 2.9).
(2)	Certain expenses were included, which under GAAP had been triggered in inventory cost.
(3)	IFRS does not allow for calculation of goodwill amortization.
(4)	IFRS require consolidated results to be attributable to the entity, and that the interest attributable to the parent company and minority interest to be shown at the bottom of the comprehensive changes statement.

TGLT

EXHIBIT A

TGLT S.A.

CONSOLIDATED FIXED ASSET STRUCTURE AND EVOLUTION

AS OF DECEMBER 31, 2011 and 2010

(figures in pesos expressed as described in Note 3.1).

	Original cost			Accumulated depreciation			Net resulting figure	
Description	**At start**	**Increases**	**At close**	**At start**	**For period**	**At close**	**Dec 31, 2011**	**Dec 31, 2010**
Furniture and supplies	288,475	168,765	457,240	82,562	46,536	129,098	328,142	205,913
Hardware	278,727	229,782	508,509	153,274	143,685	296,959	211,550	125,453
Improv. to 3rd pty props.	252,719	474,942	727,661	249,487	161,546	411,033	316,628	3,232
Facilities	-	3,087	3,087	-	618	618	2,469	-
Totals as of Dec 31, 2011	819,921	876,576	1,696,497	485,323	352,385	837,708	858,789	-
Totals as of Dec 31, 2010	603,993	215,928	819,921	294,145	191,178	485,323	-	334,598

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory
Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

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EXHIBIT B

TGLT S.A.

GOODWILL AND OTHER CONSOLIDATED INTANGIBLE ASSETS

AS Of DECEMBER 31, 2011 AND 2010

(figures in pesos expressed as described in Note 3.1)

	Original cost				Accumulated amortizations				Net resulting figure	
INTANGIBLE ASSETS	**At start**	**Increases**	**Retirements**	**At close**	**At start**	**For period (1)**	**Retirements**	**At close**	**Dec 31, 2011**	**Dec 31, 2010**
Incorporation expenses	4,170	-	-	4,170	4,170	-	-	4,170	-	-
Software	188,798	18,235	-	207,033	62,933	69,011	-	131,944	75,089	125.865
Trademarks	3,510	11,561	-	15,071	1,215	1,411	-	2,626	12,445	2.295
Software development		579,838	-	678,811	-	-	-	-	678,811	98,973
Totals as of Dec 31, 2011		609,634	-	905,085	68,318	70,422	-	138,740	766,345	-
Totals as of Dec 31, 2010		168,668	(12,000)	295,451	3,740	64,578	-	68,318	-	227,133

	Original cost				Accumulated amortizations				Net resulting figure	
GOODWILL	**At start**	**Increases**	**Retirements**	**At close**	**At start**	**For period (2)**	**Retirements**	**At close**	**Dec 31, 2011**	**Dec 31, 2010**
Negative goodwill – Marina Río Luján S.A.	(4,529,940)	-	-	(4,529,940)	(451,769)	(351,381)	-	(803,150)	(3,726,790)	(4.078.171)
Negative goodwill – Maltería del Puerto S.A.	(9,439,824)	-	-	(9,439,824)	(1,803,693)	(4,326,912)	-	(6,130,605)	(3,309,219)	(7.636.131)
Negative goodwill – Pico y Cabildo S.A.	-	(538,089)	-	(538,089)	-	(314,903)	-	(314,903)	(223,186)	-
Goodwill – Canfot S.A.	46,492,271	15,471,388	(5,632,497)	56,331,162	-	10,951,416	(788,364)	10,163,052	46,168,110	46.492.271
Totals as of Dec 31, 2011	32,522,507	14,933,299	(5,632,497)	41,823,309	(2,255,462)	5,958,220	(788,364)	2,914,394	38,908,915	-
Totals as of Dec 31, 2010	-	32,522,507	-	32,522,507	-	(2,255,462)	-	(2,255,462)	-	34,777,969

1) Included in "Other expenses" in the Consolidated Income Statement.

(2) Included in "Goodwill depreciation" in the Consolidated Income Statement.

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Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

EXHIBIT C

TGLT S.A.

CONSOLIDATED INVESTMENTS

AS Of DECEMBER 31, 2011 AND 2010

(figures in pesos expressed as described in Note 3.1)

Description	Issuer	Maturity	Face value	Market Quote at Dec 31, 2011	Value recorded as of Dec 31, 2011	Value recorded as of Dec 31, 2010
CURRENT INVESTMENTS						
Time deposit in local currency	HSBC Bank Argentina S.A.	-	-	-	-	6,220,399
Time deposit in foreign currency	Banco Santander Río S.A.	30 days	190,849	-	813,780	-
Mutual funds in local currency	Banco Itaú Argentina S.A.	-	-	-	-	1,501,944
Mutual funds in foreign currency (*)	Sundry	Indefinite	US$ 13,298,540	104,80	56,704,973	-
Commercial papers in foreign currency (*)	Sundry	Indefinite	US$ 1,874,400	94,00	7,992,442	-
Totals					65,511,195	7,722,343

US$: U.S. dollars
(*) See Note 3.5.b

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For the Supervisory
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Federico Nicolás Weil
Chairman of the Board

EXHIBIT F

TGLT S.A.

COST OF GOODS SOLD AND SERVICES RENDERED

AS OF DECEMBER 31, 2011 AND 2010

(figures in pesos expressed as described in Note 3.1)

		Dec 31, 2011 Pesos	Dec 31, 2010 Pesos
I. Cost of goods sold			
Inventories at start of period		-	-
Plus:			
Units completed during period – Cost incurred	Note 11	108,328,347	-
Units completed during period – Net realization value	Note 11	8,202,946	-
Minus:			
Inventories at close of period	Note 5.d	(102,729,536)	-
Total cost of goods sold		**13,801,757**	**-**
II. Cost of services rendered			
Breakdown as per Exhibit H		16,017,964	139,696
Total cost of services rendered		**16,017,964**	**139,696**
Total cost of goods sold and services rendered		**29,819,721**	139,696

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EXHIBIT G

TGLT S.A.

CONSOLIDATED ASSETS AND LIABILITIES IN FOREIGN CURRENCY

AS OF DECEMBER 31, 2011 and 2010

	Dec 31, 2011				Dec 31, 2010
	Class and amount of foreign currency		Exchange rate	Amount accounted for in pesos	Amount accounted for in pesos
ASSETS					
Current assets					
Cash and banks:					
Cash	US$	36,142	4.264	154,108	92,676
	Reales	97	2.29	222	425
				154,330	93,101
Banks	US$	1,380,732	4.264	5,887,443	167,803,284
Currency to be converted	US$	-	4.264	-	1,751,520
Short-term investments:					
Fixed term	US$	190,849	4.264	813,780	-
Mutual funds	US$	13,298,540	4.264	56,704,973	-
Commercial papers	US$	1,874,400	4.264	7,992,442	-
Sales receivables:					-
Private debtors	US$	1,986,962	4.264	8,472,404	-
Balances with related parties	US$	18,452	4.264	78,681	-
Other credits:					
Balances with related parties	US$	1,235,746	4.264	5,269,223	-
Insurance to be accrued	US$	156,065	4.264	665,462	495,928
Vendor advances	US$	-	4.264	-	58,237
Expenses to be accounted for	US$	600	4.264	2,558	3,761
Sundry	US$	15,724	4.264	67,049	-
Inventory:					
Vendor advances	US$	82,218	4.264	350,579	-
Total current assets				86,458,924	170,205,831
Noncurrent assets					
Other credits:					
Insurance to be accrued	US$	51,367	4.264	219,031	336,096
Security deposits	US$	45,000	4.264	191,880	110,209
Inventory:					
Vendor advances	US$	5,178,122	4.264	22,079,511	1,970,856
Total noncurrent assets				22,490,422	2,417,161
Total assets				**108,949,346**	**172,622,992**

US$: U.S. dollars

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EXHIBIT G (continued)

TGLT S.A.

CONSOLIDATED ASSETS AND LIABILITIES IN FOREIGN CURRENCY

AS OF DECEMBER 31, 2011 and 2010

	Dec 31, 2011				Dec 31, 2010
	Class and amount of foreign currency		Exchange rate	Amount accounted for in pesos	Amount accounted for in pesos
LIABILITIES					
Current liabilities					
Trade payables:					
Suppliers	US$	25,645	4.304	110,377	459,481
Expense provisions	US$	173,687	4.304	747,547	61,729
Works provisions	US$	215,625	4.304	928,050	-
Insurance payable	US$	92,393	4.304	397,659	487,636
Loans:					
Bank loan	US$	16,039	4.304	69,034	-
Loans received	US$	2,036,350	4.304	8,764,449	-
Balances with related parties	US$	3,300,327	4.304	14,204,607	-
Tax charges:					
Net Worth Tax provision	US$	3,417	4.304	14,705	-
Customer advances:					
Sums collected in advance	US$	37,770,723	4.304	162,565,193	-
Balances with related parties	US$	949,932	4.304	4,088,507	-
Other Liabilities:					
Creditors on the purchase of inventory	US$	1,453,947	4.304	6,257,790	-
Creditors on purchase of long-term investments	US$	4,215,878	4.304	18,145,137	-
Sundry creditors	US$	190,849	4.264	813,780	-
Total current liabilities				217,106,835	1,008,846
Non-current liabilities					
Trade payables:					
Contingency fund	US$	13,936	4.304	59,981	55,410
Balances with related parties	US$	9,810,618	4.304	42,224,900	-
Loans:					
Bank loan	US$	4,179,146	4.304	17,987,044	-
Customer advances:					
Sums collected in advance	US$	57,614,533	4.304	247,972,952	186,243,070
Balances with related parties	US$	10,923,238	4.304	47,013,617	35,309,073
Total noncurrent liabilities				355,258,494	221,607,553
Total liabilities				**572,365,329**	**222,616,399**

US$: U.S. dollars

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EXHIBIT H

TGLT S.A.

CONSOLIDATED INFORMATION REQUIRED BY ARTICLE NO. 64, SECTION I, SUBSECTION B) OF LAW NO. 19,550

FOR THE PERIOD ENDED AS OF DECEMBER 31, 2011 and 2010

(figures in pesos expressed as described in Note 3.1.)

Account	Cost of services rendered	Sales expenses	Administrative expenses	Totals as of Dec 31, 2011	Totals as of Dec 31, 2010
Sales and social security contributions	13,508,538	2,036,094	3,028,477	18,573,109	2,647,563
Other personnel expenses	377,805	65,552	99,694	543,051	46,654
Rent and expenses	1,220,939	164,683	270,034	1,655,656	278,456
Professional fees	-	512,589	3,680,820	4,193,409	2,398,038
Directors’ fees	-	-	180,000	180,000	40,000
Examiners’ fees	-	-	324,750	324,750	190,500
IPO expenses	-	-	1,275,884	1,275,884	1,862,292
Taxes, duties and assessments	-	4,905,470	314,391	5,219,861	2,685,914
Transportation and per diems	356,480	157,368	83,322	597,170	124,658
IT expenses and services	554,202	122,194	160,738	837,134	352,540
Office expenses	-	-	414,966	414,966	220,911
Entertainment expenses	-	3,853	-	3,853	25,530
Insurance	-	95,668	483,097	578,765	182,217
Fixed asset depreciation	-	-	352,385	352,385	191,178
Other bad debt	-	-	-	-	290,429
Sales expenses	-	58,041	-	58,041	-
Advertising expenses	-	925,012	-	925,012	663,281
Overhead	-	1,206,309	332,866	1,539,175	265,934
Donations	-	-	53,595	53,595	4,000
Totals as of Dec 31, 2011	16,017,964	10,252,833	11,055,019	37,325,816	-
Totals as of Dec 31, 2010	139,696	2,911,443	9,418,956	-	12,470,095

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

INDIVIDUAL FINANCIAL STATEMENTS

TGLT S.A.

AS OF DECEMBER 31, 2011 AND 2010

TGLT S.A.

INDIVIDUAL BALANCE SHEET

AS OF DECEMBER 31, 2011 AND 2010

(figures in pesos expressed as described in Note 3.1.)

		Dec 31, 2011 Pesos	Dec 31, 2010 Pesos
ASSETS			
Current assets			
Cash and banks	Note 5.a	284,382	158,092,507
Provisional investments	Exhibit C	64,697,415	6,220,399
Trade receivables	Note 5.b	1,132,281	1,412,140
Other receivables	Note 5.c	43,778,825	4,659,804
Total current assets		109,892,903	170,384,850
Non-current assets			
Other receivables	Note 5.c	11,054,839	6,708,566
Inventory	Note 5.d	174,521,984	76,886,003
Fixed assets	Exhibit A	2,409,534	305,730
Long-term investments	Note 5.e	271,046,913	218,923,990
Intangible assets	Exhibit B	731,505	212,013
Subtotal of non-current assets		459,764,775	303,036,302
Total assets		**569,657,678**	**473,421,152**
LIABILITIES			
Current liabilities			
Trade payables	Note 5.f	4,749,700	1,979,198
Loans	Note 5.g	18,571,154	-
Wages and social security contributions	Note 5.h	2,335,976	773,477
Taxes payable	Note 5.i	1,383,524	2,645,976
Customer advances	Note 5.j	-	407
Other liabilities	Note 5.k	24,569,744	-
Total current liabilities		51,610,098	5,399,058
Non-current liabilities			
Trade payables	Note 5.f	42,325,662	-
Customer advances	Note 5.j	62,390,284	32,377,486
Total non-current liabilities		104,715,946	32,377,486
Total liabilities		**156,326,044**	**37,776,544**
SHAREHOLDERS' EQUITY		**413,331,634**	**435,644,608**
Total liabilities and shareholders' equity		**569,657,678**	**473,421,152**

Notes 1 to 18 and Exhibits A, B, C, G, and H hereto are an integral part of these financial statements.

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TGLT S.A.

INDIVIDUAL INCOME STATEMENT

FOR THE PERIOD ENDED AS OF DECEMBER 31, 2011 AND 2010

(figures in pesos expressed as described in Note 3.1)

		Dec 31, 2011 Pesos	Dec 31, 2010 Pesos
Income for services rendered		9.170.564	8.028.322
Cost of services rendered	Exhibit H	(10.717.673)	(5.439.986)
Gross profit		**(1.547.109)**	**2.588.336**
Result from inventory valuation at net realization value	Note 17	536.869	-
Sales expenses	Exhibit H	(4.234.481)	(1.852.379)
Administrative expenses	Exhibit H	(9.406.508)	(6.699.927)
Operational results		**(14.651.229)**	**(5.963.970)**
Long-term investment results	Note 5.l	(17.087.053)	(11.892.656)
Other expenses	Exhibit B	(62.862)	(55.628)
Financial and holding revenue, net	Note 5.m		
Generated by assets		15.986.522	(267.868)
Generated by liabilities		(9.498.108)	(3.612.337)
Other revenue and expenses, net	Note 5.n	2.743.113	(747.105)
Period income before Income Tax		**(22.569.617)**	**(22.539.564)**
Income Tax	Note 4	890.472	3.363.770
Period results		**(21.679.145)**	**(19.175.794)**

Results per common share

Base	**(0,31)**	**(0,27)**
Diluted	**(0,31)**	**(0,27)**

Notes 1 to 18 and Exhibits A, B, C, G, and H hereto are an integral part of these financial statements.

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TGLT S.A.

INDIVIDUAL STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED AS OF DECEMBER 31, 2011 AND 2010

(figures in pesos expressed as described in Note 3.1.)

Item	Shareholders' contributions			Reserves of subsidiary companies	Accumulated results			Totals Dec 31, 2011	Totals Dec 31, 2010
	Corporate capital	Issuance premium	Total		Reserve requirement	Non-allocated results	Total		
Opening balance	70,349,485	378,208,774	448,558,259	6,972,811	4,000	(19,890,462)	(19,886,462)	435,644,608	28,612,143
Release of reserve in subsidiaries (1)	-	-	-	(633,829)	-	-	-	(633,829)	-
Increase in corporate capital	-	-	-	-	-	-	-	-	426,208,259
Period results	-	-	-	-	-	(21,679,145)	(21,679,145)	(21,679,145)	(19,175,794)
Closing balance	70,349,485	378,208,774	448,558,259	6,338,982	4,000	(41,569,607)	(41,565,607)	413,331,634	435,644,608

(1) See Note 17.1 to the consolidated Financial Statements.

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TGLT S.A.

INDIVIDUAL CASH FLOW STATEMENT

FOR THE PERIOD ENDED AS OF DECEMBER 31, 2011 AND 2010

(figures in pesos expressed as described in Note 3.1.)

	Dec 31, 2011	Dec 31, 2010
CASH FLOW VARIATIONS (1)		
Cash flow at start of period	164.312.906	3.722.198
Cash flow at close of period	64.981.797	164.312.906
Net cash flow increase (decrease)	(99.331.109)	160.590.708
REASONS FOR CASH VARIATIONS		
Operational activities		
Mid-term results	(21.679.145)	(19.175.794)
Income Tax	(890.472)	(3.363.770)
Adjustments for arriving to the net cash flow from operational activities		
Fixed asset depreciation	329.530	179.259
Amortization of intangible assets	62.862	55.628
Income from long-term investment	17.087.053	11.892.656
Income from sale of stock	(1.517.336)	747.105
Result from inventory valuation at net realization value	(536.869)	-
Residual value of disposed fixed assets	-	12.000
Accrued unpaid exchange rate difference, net	458.653	3.571.575
Changes in Operational Assets and Liabilities		
Decrease in trade receivables	279.859	1.578.903
Increase in other receivables	(40.987.222)	(5.432.417)
Increase in inventory	(97.099.112)	(76.886.003)
Increase in trade payables	45.096.164	1.348.807
Increase in salaries and social security	1.562.499	278.743
(Decrease) (Increase) in taxes payable	(1.262.452)	1.574.884
Increase in customer advances	30.012.391	32.377.893
Increase in other liabilities	6.398.466	-
Net cash flow used in operations	**(62.685.131)**	**(51.240.531)**
Investment activities		
Payments for purchase of fixed assets	(2.433.334)	(184.955)
Payments for purchase of intangible assets	(582.354)	(168.668)
Capital contributions in subsidiaries	-	(500.010)
Increase in interests in subsidiaries	(64.277.044)	(212.257.198)
Collection on sales of long-term investments	12.075.600	-
Net cash flow used in investment activities	**(55.217.132)**	**(213.110.831)**
Financing activities		
Increase (decrease) in loans	18.571.154	(1.266.189)
Increase in corporate capital	-	426.208.259
Net cash flow from financing activities	**18.571.154**	**424.942.070**
NET CASH (DECREASE) INCREASE	**(99.331.109)**	**160.590.708**

(1) Cash: equivalent to cash and banks and temporary investments maturing within 3 months.

Notes 1 to 18 and Exhibits A, B, C, G, and H hereto are an integral part of these financial statements.

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Note 1 Purpose of financial statements

On October 30, 2009, the Regular and Special Shareholders' Meeting of TGLT S.A. (the "Company") unanimously authorized entering the same into the public offering scheme in the country and/or on foreign markets which the Board of Directors determines, and the public offering and the listing of its shares with the National Securities Commission (C.N.V.) and the Buenos Aires Stock Exchange (B.C.B.A.), respectively, and/or on the foreign stock exchanges and/or self-regulated markets determined in due course by the Board of Directors.

On October 14, 2010, the C.N.V. issued its approval of Resolution No. 16,409 of September 8, 2010, whereby the Company has been authorized to make a public offering of up to 45,400,000 book-entry common shares, with the possibility of extending said offering up to 61,800,000 shares. In turn, on October 19, 2010, the B.C.B.A. issued the authorization for TGLT S.A's shares to be listed on the stock exchange.

On November 4, 2011, the Securities Commission of the Federal Republic of Brazil (Comissão de Valores Mobiliários or "CVM") granted TGLT S.A. open-company registration and approved the BDR Level II program (Brazilian Depositary Receipts). Also, BM&F Bovespa, Brazil's largest stock market, authorized BDR trading on its general screen. All common shares and ADRs of the Company are convertible into BDRs and vice versa.

These financial statements (the "financial statements") as of December 31, 2011, were drafted by Company Management for the purposes of complying with the law and with the requirements of the C.N.V. and the B.C.B.A. within the framework of the public offering of its stock.

These financial statements are for the period from January 1 to December 31, 2011. In accordance with the provisions set forth in Technical Resolution No. 8 issued by the Argentinean Federation of Professional Economics Boards (F.A.C.P.C.E.) on General Accounting Presentation Regulations, the Company submitted accounting information on its Balance Sheet compared with the last business year closed (December 31, 2010).

Note 2 Company business

TGLT S.A.'s main line of business consists in integrating all the roles associated with housing development projects, such as: searching for and acquiring land, designing the products, marketing, sales, construction project management, purchasing consumables, aftersales services, and financial planning. The architecture and construction are outsourced to other companies, with which the Company has strategic relationships.

To the date of issuance of these financial statements, the Company has participated—along with other investors—in various urban projects (see Note 2. to the consolidated financial statements), in which the Company is in charge of comprehensive management, and it charges both flat and contingent fees for the tasks it executes in accordance with the breakdown provided in Note 16 to the consolidated financial statements.

Note 3 Criteria for presenting financial statements

3.1 Effects of inflation

The professional accounting regulations currently in effect provide that, as of October 1, 2003, restatement in constant currency as established by Technical Resolution No. 6, as amended by Technical Resolution No. 19 by the F.A.C.P.C.E., must be discontinued.

Consequently, the Company used the nominal legal tender for the Republic of Argentina as a constant currency when preparing these financial statements.

Note 3 Criteria for presenting financial statements (continued)

3.2 Applicable professional accounting standards

The Board of Directors of the Company has drafted these financial statements in accordance with professional accounting standards applicable in the Republic of Argentina, the regulations issued by the C.N.V., and the Law on Business Corporations.

Drafting of these financial statements in accordance with said professional accounting standards requires Company Management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, the determination and presentation of contingent assets and liabilities as of the date of said financial statements, as well as the amounts disclosed on income and disbursements in each period. Actual results may differ from such estimates.

3.3 Adoption of International Financial Reporting Standards (IFRS)

Through General Resolution No. 562/09 dated December 29, 2009, titled “Adoption of International Financial Reporting Standards”, and General Resolution No. 576/10, dated July 1, 2010, titled “Addendum to General Resolution No. 562,” the C.N.V. established application of Technical Resolution No. 26 of the F.A.C.P.C.E. (as amended by Technical Resolution No. 29, approved by the F.A.C.P.C.E. on December 3, 2010), for certain entities included in the public offering system of Law No. 17,811, which adopts the IFRS issued by the International Accounting Standards Board (IASB) for certain entities included in the public offering system provided for in Law No. 17,811, whether on account of their equity or debt securities, or because they have requested authorization to be included in said system. In fulfillment of these regulations and as provided in General resolution No. 592/11 of October 24, 2011, as of the year starting on January 1, 2012, the companies that consolidate with the Company must include, in a note to the financial statements or in additional information, a reconciliation of their shareholders’ equity and results determined in accordance with IFRS. This information is to be used by the Company to apply the proportional equity value method and for consolidation of their financial statements

On April 26, 2010 the Company’s Board of Directors approved the “Formal Plan for Implementation of the International Financial Reporting Standards” which was submitted to the C.N.V. on April 30, 2010. Among other things, it establishes that implementation of the same is to be done in coordination with the Boards of Directors of the subsidiaries.

As of the date of these financial statements, the “Formal Plan for Implementing the International Financial Reporting Standards” was being implemented on schedule. Also, the Board of Directors of the Company was not aware of any circumstance that would necessitate any modifications to that plan or that would indicate any potential deviation from the established goals and dates.

In Note 21 to the consolidated financial statements, we include information required under Technical Resolution No. 26 of the F.A.C.P.C.E. in relation to “Information on the annual financial statements for the year prior to that in which IFRS are first applied.”

3.4 Accounting calculation and presentation criteria

The main valuation criteria used to prepare these financial statements were the following:

a. Cash and banks

In local currency: at nominal values.

In foreign currency: It was converted at the exchange rate in effect at the close of the period applicable for settlement of the respective operations. The exchange rate differences were included in the results of the period. The respective breakdown is shown in Exhibit G.

Note 3 Criteria for presenting financial statements (continued)

3.4 Accounting calculation and presentation criteria (continued)

b. Temporary investments

Fixed Term: valued at nominal value plus the applicable financial earnings accrued to the closing date of each period.

Mutual Funds: valued at the quotation value of the effective quota portion to the closing date of each period minus the direct sales costs.

Commercial Papers: a portfolio of unsecured notes issued by large foreign banks and corporations (U.S.), valuated at their respective trade value as of the closing date of each period, minus direct sales costs.

Investments in foreign currency were converted at the exchange rate in effect at the close of each period, for settlement of the respective operations. The exchange rate differences were included in the results of the period. The respective breakdown is shown in Exhibits C and G.

c. Receivables and payables

Trade and financial receivables and payables with independent parties have been valued at the cash price estimated at the time of each operation, plus the relevant financial portion accrued by the close of each period. Trade and financial receivables and payables with related parties have been valued at their nominal value plus the financial components accrued at the close of the period in cases when they were agreed upon.

Other receivables and payables: The various receivables and payables were valued based on the best possible estimate of the amount payable or receivable, respectively, discounted—when applicable—using the estimated rate at the moment of incorporation of the asset and liability. In cases where they do not differ significantly, they have been left at their nominal value. The various payables and receivables with related parties have been valued at their nominal value plus the financial components accrued at the close of each period in cases when they were agreed upon.

Customer advances: These are funds received as a result of selling units of the real estate projects where the units have not yet been delivered. These advanced payments were valued in accordance with the amount of cash received.

For accounts in foreign currencies, the amounts determined in foreign currencies were converted to the local currency at the exchange rates in effect at the close of each period applicable to settlement of the respective operations. The respective breakdown is presented in Exhibit G. Exchange rate differences were included in period results.

Payables and receivables include the portion of the relevant financial results accrued up to the period's closing date. Underlying financial components have been separated from the relevant asset amounts outstanding, when they were significant.

The breakdown of amounts outstanding with related parties is presented in Note 7 of these financial statements.

Deferred Tax credit balances have been reflected at its nominal value.

Labor cost liabilities are accrued in the period in which the employees have provided the service entitling them to said payments.

Note 3 Criteria for presenting financial statements (continued)

3.4 Accounting calculation and presentation criteria (continued)

d. Inventory

Urban development projects: The real estate classified as inventory is valued at the cost of acquisition and/or construction, as per Note 3.1, or at its estimated market value, whichever is lower. Among the costs is the value of the land and improvements, direct costs and construction overhead, financial costs and real estate taxes.

The inventory for which price-clinching advance payments have been received and the terms and conditions of the operation contemplate the actual sale and profit actually being made and are valued at the net realization value provided. The result of said valuation is included under the item, "Result of inventory valuation at net realization value" in the consolidated Income Statement (see Note 17).

Moreover, this item includes the advance payment toward the purchase of the property in Rosario, Province of Santa Fe (see Note 18.2 to the consolidated financial statements) and direct purchase expenses incurred through the end of each period. The advance was valued according to the moneys/property delivered and direct purchase expenses at nominal value.

The value of inventory does not exceed its recoverable value as of the closing date of each period.

e. Fixed assets

These assets were valued at their cost of acquisition minus the relevant accumulated depreciations, calculated ratably to the estimated life cycle years. Depreciation is calculated using the straight-line method, applying rates that are sufficient to extinguish their values at the end of the estimated life cycle. Said life cycles are based on reasonable criteria and standards established according to past experience of Company Management. The evolution of fixed assets is included in Exhibit A.

Moreover, this item includes the advance payment toward the purchase of the property in Rosario, Province of Santa Fe (see Note 19. to the individual financial statements) and direct purchase expenses incurred through the end of the period. The advance was valued according to the moneys/property delivered and direct purchase expenses at nominal value.

Company Management reviews the residual book value of the fixed assets in order to check whether they have incurred any material devaluation when there are facts or changing circumstances that indicate that the recorded value of the same may be unrecoverable. In the event that there is any indication and book values exceed the estimated recoverable amount, said assets must be reduced to the limit of their recoverable value. The recoverable amount for fixed assets is equivalent to the net realization value or use value, whichever is greater.

Company Management has not detected any signs of devaluation as of the closing date of each period. Therefore, the value of fixed assets does not exceed their recoverable value as of such dates.

f. Intangible assets

These are expenditures made for acquiring software and registering trademarks.

Under "Software Development", we include all direct expenses related to the acquisition and implementation of the new corporate ERP. I began amortization in January 2012, when its use in business began.

Intangible assets are valued at their nominal value, minus the relevant depreciation calculated ratably to their estimated life cycle years. Depreciation is calculated using the straight-line method, the rate of which is determined on the basis of the life cycle assigned to the assets as of and including the year in which they were acquired. The evolution of intangible assets is included in Exhibit B.

Note 3 Criteria for presenting financial statements (continued)

3.4 Accounting calculation and presentation criteria (continued)

f. Intangible assets (continued)

Company Management reviews the residual value of the intangible assets in order to check whether they have incurred any material devaluation when there are facts or changing circumstances that indicate that the recorded value of the same may be unrecoverable. In the event that there is any indication and book values exceed the estimated recoverable amount, said assets must be reduced to the limit of their recoverable value. The recoverable amount for intangible assets is equivalent to the net realization value or use value, whichever is greater.

Company Management has not detected any signs of devaluation of intangible assets at the close of each period. Therefore, the value of intangible assets does not exceed their recoverable value as of those dates.

g. Long-term investments

As of December 31, 2011 and 2010, the Company had interests in other companies as shown in the following breakdown:

	Interest	
Company	**Dec 31, 2011**	**Dec 31, 2010**
Canfot S.A.	90.91% (1)	75.04%
Pico y Cabildo S.A.	97.00% (1)	-
Maltería del Puerto S.A.	75.00% (2)	75.00%
Marina Río Luján S.A.	49.99% (3)	49.99%
Birzey International S.A.	100.00% (4)	-

(1) As a result of several transactions, the Company had become the sole shareholder as of September 30, 2011, of Canfot S.A. and Pico y Cabildo S.A. During the quarter ended as of September 30, 2011, the Company transferred 9.09% of its shares in Canfot S.A. in favor of Kondor Fund SPC – Kondor Properties Segregated Portfolio, and 3% of its shares in Pico y Cabildo S.A. to Canfot S.A. (See Note 17 to the consolidated financial statements).
(2) See Note 12.2.a to the consolidated financial statements.
(3) See Note 12.4 to the consolidated financial statements.
(4) See Note 17.5 to the consolidated financial statements.

- Investment in Canfot S.A., Maltería del Puerto S.A. and Marina Río Luján S.A.:

The investment has been valued using the proportional equity value method determined in accordance with the provisions set forth in Technical Resolution No. 21 by the F.A.C.P.C.E. and approved by the C.P.C.E.C.A.B.A. The annual financial statements of this company as of December 31, 2011 and 2010, respectively, were used to determine the proportional equity value.

Note 3 Criteria for presenting financial statements (continued)

3.4 Accounting calculation and presentation criteria (continued)

g. Long-term investments (continued)

- Investment in Pico y Cabildo S.A.:

The investment has been valued using the proportional equity value method determined in accordance with the provisions set forth in Technical Resolution No. 21 by the F.A.C.P.C.E. and approved by the C.P.C.E.C.A.B.A. The special financial statements of this company for the 12-month period ended as of December 31, 2011, were used to determine the proportional equity value.

- Investment in Birzey International S.A.:

The investment has been valued using the proportional equity value method determined in accordance with the provisions set forth in Technical Resolution No. 21 by the F.A.C.P.C.E. and approved by the C.P.C.E.C.A.B.A. The special financial statements of this company for the period of five months and 26 days ended as of December 31, 2011, were used to determine the proportional equity value.

Birzey International S.A. and its subsidiary Miwok S.A., were classified as non-subsidiaries in accordance with the guidelines of point 1.1.b of Technical Resolution No. 18 of the F.A.C.P.C.E., converted into Argentine pesos as per point 1.3 of said Technical Resolution.

Additionally, the Company has acknowledged the accounting effects of the acquisitions referred to in the above paragraphs, in accordance with the provisions set forth in Section 1.3.1. of Technical Resolution No. 21 by the F.A.C.P.C.E. Thus, the difference between the book value of the assets and liabilities and their relevant current net payment values is included in the item “Long-term investments” listed under non-current assets, and after considering the pertinent depreciations amounts to $ 138,329,994 as of December 31, 2011. This difference is mainly generated by comparing book values and relevant current values of the main assets owned by the companies acquired (inventory).

The current value of the identifiable net assets results from reports put together by independent professional experts on the matter.

In accordance with the provisions set forth in Paragraph 1.2.ñ) of Technical Resolution No. 21 by the F.A.C.P.C.E., the differences in calculations of net assets which were identifiable at the moment of purchase which result from applying the criterion established in Section 1.3.1. of said Technical Resolution must be applied to results in the investing company based on consumption of said assets by the issuing company. Consequently, the Company has applied the greater value of said investments to results, applying the same criterion used by the issuing companies for acknowledging their inventory in results, that is, based on the degree of progress of the project, whenever applicable.

As of December 31, 2011, the Company has acknowledged a debit to its results for the amount of $ 29,396,513, which is included in the income statement under the item, “Results from long-term investments” (as of December 31, 2010, $10,618,693)

The Company’s Board of Directors reviews the book value of permanent investments valuated at proportional equity value, for the purposes of checking whether they have suffered any significant devaluation when there are facts or changes in circumstances which indicate that the registered value of the same may not be recoverable. In the event that there is any indication and book values exceed the estimated recoverable amount, said assets must be reduced to the limit of their recoverable value.

The value of the permanent investments does not exceed their recoverable value to the date of the close of each period.

Note 3 Criteria for presenting financial statements (continued)

3.4 Accounting calculation and presentation criteria (continued)

h. Goodwill

As a result of the long-term investments acquired (see Note 17. to the consolidated financial statements), the Company has acknowledged a total goodwill of $38,913,774.

The goodwill referred to in the previous paragraph was determined at the time of each acquisition based on the provisions set forth in Section 1.3.1.1.d) and e) of Technical Resolution No. 21 of the F.A.C.P.C.E.

The criterion adopted by the Company to calculate goodwill depreciation is as follows:

a) Negative goodwill associated with the "Forum Puerto Norte" project (Maltería del Puerto S.A.): Because Company Management has not seen indications of future losses or expenditures associated with the acquired company, goodwill is depreciated using the same criterion as the one used for acknowledging the greater inventory value in the income statement generated by the acquisition of Maltería del Puerto S.A. This, negative goodwill depreciation is acknowledged on the basis of progress made in the works of the "Forum Puerto Norte" project.

b) Negative goodwill associated with the "Venice") (Marina Río Luján S.A.) and "Astor Núñez" (Pico y Cabildo S.A.) developments: Because Company Management has seen indications of future losses or expenditures associated with the acquired companies, goodwill is depreciated based on the results recognized by those companies by applying the proportional equity value method determined as per Technical Resolution No. 21 issued by the F.A.C.P.C.E., approved by the C.P.C.E.C.A.B.A. (see Note 3.4.g.).

c) Positive goodwill associated with the "Forum Alcorta" (Canfot S.A.) project: Positive goodwill is depreciated on the basis of progress in the works of the housing project being developed by the acquired company. This criterion is the best estimate for the period during which the Company expects to receive financial gain associated with said value.

As of December 31, 2011, the Company acknowledges a net depreciation of $ 5,964,720, in goodwill (as of December 31, 2010, a net gain of $2,255,462), shown in the income statement under "Results from long-term investments".

i. Acknowledgment of income

Management and commission income: comprised chiefly of fees generated by management agreements and the commissions associated with the real estate projects executed by the consolidated companies. This income is acknowledged based on provision of services by the Company, regardless of the period when they are invoiced.

Sale of units: Sales of properties in the real estate developments under construction are acknowledged by the Company on the basis of Percentage of Completion (POC) (see Note 17.). This method acknowledges income based on the coefficient between the costs incurred and total estimated costs according to the total budget. The Company does not acknowledge the income and costs until the moment construction of the works begins. The POC method requires that The Board of Directors of the Company put together cost budgets for property/unit sales. Potential modifications to the estimated completion costs are regularly incorporated into the estimated costs updated during the timeframe of the project.

Note 3 Criteria for presenting financial statements (continued)

3.4 Accounting calculation and presentation criteria (continued)

j. Corporate Income tax and Minimum Presumptive Corporate Income Tax

The Company determines the Corporate Income Tax it must pay by applying the current 35% rate to the taxable income of each period/year. In accordance with current accounting regulations, the Company determines the debit for the Corporate Income Tax using the Deferred Tax method, which consists in acknowledging (as a credit or debit) the tax effect of temporary differences between the book and tax valuations of the assets and liabilities, determined at the current 35% rate established by law, and its subsequent application to results for the periods in which the same are reversed. When there are accumulated tax loss carry-forwards which may decrease future tax earnings, or the Deferred Tax which results from the temporary differences is an asset, said credits are acknowledged for accounting purposes to the extent Company Management deems it likely that they will be beneficial.

The Deferred Tax asset recorded as of December 31, 2011 amounts to $4,596,450 and is listed under “Other receivables” in noncurrent assets (as of December 31, 2010, $ 3,705,978). Note 4 to these financial statements provides a breakdown of the evolution and structure of the Corporate Income Tax and Deferred Tax accounts.

The Minimum Presumptive Corporate Income Tax is supplementary to the Corporate Income Tax, because while the latter is levied on the taxable income of each period/year, the Minimum Presumptive Corporate Income Tax is a minimum tax with a rate of 1% levied on the potential income of certain productive assets at the close of each period/year, and therefore, the Company’s tax liability is the greater of both taxes. However, if the Minimum Presumptive Corporate Income Tax exceeds the Corporate Income Tax in any fiscal period, said excess may be considered as a payment toward any excess in the Corporate Income Tax over the Minimum Presumptive Corporate Income Tax which may be generated in any of the following ten fiscal years.

During the period ended on December 31, 2011, the amount calculated as the Minimum Presumptive Income Tax in excess of Corporate Income Tax was $ 3,238,315. This amount, which added to the charges from previous periods represents a credit of $6,130,694, is outlined in “Other receivables” in noncurrent assets because the amounts paid for this tax are deemed recoverable before the respective statutes of limitations run.

k. Income statement accounts

Included at face value.

Under “Financial and holding results, net,” we have included, in joint fashion: (a) the exchange rate differences generated by assets and liabilities in foreign currency; (b) interest accrued by assets and liabilities; (c) banking expenses and interest generated by assets; (d) holding and sales results generated by temporary investments, and (e) recovery of expense allowances

l. Shareholders’ equity accounts

Included at face value.

3.5 Comparative information

As provided in Technical resolution No.8 of the F.A.C.P.C.E. on General Accounting Presentation Standards, and in light of Note 1, the Company discloses its accounting information on a comparative basis.

When preparing these financial statements, Company Management introduced certain changes to how some entries were shown. The annual financial statements as of December 31, 2010, shown for comparative purposes, were modified to reflect the effect of these changes.

Note 4 Corporate Income Tax and Deferred Tax

The structure of "Corporate Income Tax", determined in accordance with Technical Resolution No. 17 of the F.A.C.P.C.E., included in the income statement as of December 31, 2011 and 2010, is as follows:

Corporate Income Tax	**Dec 31, 2011**	Dec 31, 2010
Deferred Tax originated by temporary differences	890,472	3,363,770
Total Corporate Income tax	890,472	3,363,770

The Deferred Tax at the close of the period has been determined on the basis of the temporary differences between the accounting and the tax calculations. The structure of assets and liabilities for Deferred Tax at the close of the year/period is as follows:

Assets (liabilities) for Deferred Tax:	**Dec 31, 2011**	Dec 31, 2010
Locally-sourced tax loss carry-forwards	6,075,337	3,681,321
Foreign-sourced tax loss carry-forwards	32,158	24,657
Valuation of inventory	(187,904)	-
Valuation of short.-term investments	(1,251,326)	-
Valuation of foreign currency	(71,815)	-
Balance at close of period	4,596,450	**3,705,978**

Following is a detail of the reconciliation of the Corporate Income Tax attributed to results, which would be the result of applying the relevant tax rate to the accounting result before taxes:

	Dec 31, 2011	Dec 31, 2010
Corporate Income Tax calculated at effective rate on the accounting result before taxes	7,899,366	7,888,847
Interest	(73,198)	(17,808)
Non-deductible taxes	-	(49,870)
Directors' Fees	(54,250)	-
Result of valuation of long-term investments	(5,980,469)	(4,162,429)
Result on sale of shares	(878,828)	-
Donations	(14,131)	-
Sundry	(8,018)	(294,970)
Corporate Income Tax	890,472	3,363,770

The temporary difference originated by accrued tax loss carry-forwards as of December 31, 2011, which may be used up to the dates indicated below is as follows:

Year	Pesos
2013	358,794
2015	3,347,184
2016	2,401,517
Total	6,107,495

Note 5 Structure of Main Items

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows:

5.a. Cash and banks

Cash		Dec 31, 2011	Dec 31, 2010
In local currency		6,001	5,670
In foreign currency	Exhibit G	3,846	3,633
Banks			
In local currency		43,601	63,832
In foreign currency	Exhibit G	230,934	159,009,124
Securities to be deposited		-	210,248
Restricted funds		-	(1,200,000)
		284,382	158,092,507

5.b. Trade receivables

Balances with related companies	Note 7 and Exhibit G	815,538	1,412,140
Individual debtors	Exhibit G	316,743	-
		1,132,281	1,412,140

5.c. Other receivables

Current:			
Value Added Tax		2,730,581	1,437,628
Corporate Income Tax		-	230,375
Gross Receipts Tax		53,794	160,163
Deposits as collateral		-	1,200,000
Accounts receivable from related parties in local currency	Note 7	4,103,426	344,890
Accounts receivable from related parties in foreign currency	Note7 and Exhibit G	35,875,110	788,925
Insurance policies to be accrued in local currency	Exhibit G	13,495	3,571
Insurance policies to be accrued in foreign currency		384,003	241,343
Advance payments to suppliers in local currency		7,366	108,461
Advance payments to suppliers in foreign currency	Exhibit G	-	58,237
Advance payments to personnel		296,884	33,148
Expenses to be accounted for	Exhibit G	2,558	3,761
Other tax credits		-	47,702
Expenses recoverable		71,895	-
Sundry – local currency		197,073	1,600
Sundry – foreign currency	Exhibit G	42,640	-
		43,778,825	4,659,804
Non-current:			
Deferred Tax Asset	Note 4	4,596,450	3,705,978
Minimum Presumptive Income Tax		6,130,694	2,892,379
Deposits as collateral in local currency		21,100	-
Deposits as collateral in foreign currency	Exhibit G	191,880	110,209
Insurance to be accrued	Exhibit G	114,715	-

	11,054,839	6,708,566

Note 5 Structure of Main Items (continued)

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows (continued):

5.d. Inventory

		Dec 31, 2011	Dec 31, 2010
"Astor Palermo" development			
Cost incurred		80,074,188	76,886,003
		80,074,188	76,886,003
"Astor Caballito" development			
Cost incurred	Note 17	59,058,130	-
Valuation at net realization value	Note 17	536,869	-
		59,594,999	-
		12,774,542	-
Supplier advances in local currency		22,078,255	-
Supplier advances in foreign currency	Exhibit G	174,521,984	76,886,003
		Dec 31, 2011	Dec 31, 2010

5.e. Long-term investments

Canfot S.A. - Shares	Exhibit C	52,020,999	31,397,774
Maltería del Puerto S.A. - Shares	Exhibit C	24,331,463	17,856,370
Marina Río Luján S.A. - Shares	Exhibit C	8,436,323	8,846,726
Pico y Cabildo S.A. - Shares	Exhibit C	9,014,360	-
Canfot S.A. - Goodwill	Exhibit B	46,168,110	46,492,271
Maltería del Puerto S.A. - Goodwill	Exhibit B	(3,309,219)	(7,636,131)
Marina Río Luján S.A. - Goodwill	Exhibit B	(3,726,790)	(4,078,171)
Pico y Cabildo S.A. - Goodwill	Exhibit B	(218,327)	-
Canfot S.A. – Capital gain		20,462,077	19,691,563
Canfot S.A. – Capital gain – Accumulated depreciation		(3,923,153)	-
Maltería del Puerto S.A.- Capital gain		55,574,069	55,574,069
Maltería del Puerto S.A. – Capital gain – Accumulated depreciation		(36,092,052)	(10,618,693)
Marina Río Luján S.A. – Capital gain		61,398,212	61,398,212
Pico and Cabildo S.A. – Capital gain		40,910,841	-
		271,046,913	218,923,990

Note 5 Structure of Main Items (continued)

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows (continued):

5.f. Trade payables

Current		Sep 30, 2011	Dec 31, 2010
Suppliers in local currency		**Dec 31, 2011**	Dec 31, 2010
Suppliers in foreign currency	Exhibit G	1,000,149	266,355
Provision for expenses in local currency		-	424,446
Provision for expenses in foreign currency	Exhibit G	454,869	78,808
Provision for works in local currency		606,392	61,729
Provision for works in foreign currency	Exhibit G	1,056,797	-
Provision for Board Members' fees		928,050	-
Post-dated checks		67,220	40,000
Insurance policies payable in local currency		150,673	766,236
Insurance policies payable in foreign currency	Exhibit G	9,684	1,179
Balances with related parties	Note 7	382,748	244,403
Sundry		93,118	93,118
		-	2,924

Non-current			
Balances with related parties	Note 7 and Exhibit G	42,224,900	-
Contingency fund		100,762	-
		42,325,662	-

5.g. Loans

Balances with related parties	Note 7 and Exhibit G	6,673,816	-
Loan received	Exhibit G	4,385,955	-
Current account advances		7,511,383	-
		18,571,154	-

5.h. Salaries and social security contributions

Salaries payable	782,108	-
Social security contributions payable	650,122	213,994
Vacation provision	631,534	387,223
Federal tax payment plan	272,212	172,260
	2,335,976	773,477

Note 5 Structure of Main Items (continued)

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows (continued):

5.i. Taxes payable

	Dec 31, 2011	Dec 31, 2010
Minimum Presumptive Corporate Income Tax (1)	770,652	2,294,179
Withholdings and earnings to be deposited	423,837	183,981
Federal Tax Payment Plan	-	164,807
Gross Receipts Tax	103,318	3,009
Stamp Tax	85,717	-
	1,383,524	2,645,976

(1) Net of advance payments totaling $ 2,467,663 and $ 133,606, as of December 31, 2001 and 2010, respectively.

5.j. Customer advances

Current			
Balances with related parties	Note 7	-	407
		-	407
Non-current			
Balances with related parties	Note 7 and Exhibit G	47,013,617	32,377,486
Advance collections in local currency		164,828	-
Advance collections in foreign currency	Exhibit G	16,371,392	-
Minus:			
Value Added Tax		(1,159,553)	-
		62,390,284	32,377,486

5.k. Other liabilities

Balances with related parties	Note 7 and Exhibit G	6,424,607	-
Debt on purchase of stock	Exhibit G	18,145,137	-
		24,569,744	-

5.l. Results from long-term investments

		Gain/ (Loss)	
		Dec 31, 2011	Dec 31, 2010
Results from long-term investments		18,274,180	(3,529,425)
Devaluation of capital gain		(29,396,513)	(10,618,693)
Goodwill depreciation	Exhibit B	(5,964,720)	2,255,462
		(17,087,053)	(11,892,656)

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

Note 5 Structure of Main Items (continued)

The structure of the main items of the balance sheet and the income statement as of December 31, 2011 and 2010, is as follows (continued):

5.m. Financial and holding results, net

	Gain / (Loss))	
Generated by assets	**Dec 31, 2011**	Dec 31, 2010
Exchange rate differences	12,263,305	(250,352)
Banking expenses	(149,950)	(22,782)
Income from investment holdings	1,138,024	879
Income from temporary investments	1,077,310	-
Interest	2,632,599	205,769
Banking debit and credit tax	(974,766)	(201,382)
	15,986,522	(267,868)
Generated by liabilities		
Exchange rate differences	(9,438,883)	(3,405,807)
Interest	(649,051)	(206,530)
Recovery of expense provision	589,826	-
	(9,498,108)	(3,612,337)

5.n. Other income and expenses, net

Income from administrative fees	1,225,777	-
Result from sale of stocks	1,517,336	(747,105)
	2,743,113	(747,105)

Note 6 Corporate equity

The issued, subscribed and integrated corporate equity as of December 31, 2011, is $ 70,349,485. The corporate equity registered with the Corporate Records Office to that date $ 22,350,000.

As of December 31, 2011, the distribution of the interest in the corporate equity is as follows:

Shareholders	Shares	Interest
Federico Nicolás Weil (1)	13,549,889	19 %
PDG Realty S.A. Empreendimentos e Participações	19,121,667	27 %
Holders of certificates representing common shares	17,548,905	25 %
Other holders of common shares	20,129,024	29 %
	70,349,485	100 %

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For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

Note 7 Related parties

a) As of December 31, 2011 and 2010, the amounts outstanding with Companies as per art. No. 33 – Law No. 19,550 and other related parties are as follows:

TRADE RECEIVABLES	Dec 31, 2011	Dec 31, 2010
Canfot S.A.	-	268,722
Marina Río Luján S.R.L.	157,361	-
Maltería del Puerto S.A.	658,177	1,143,418
	815,538	1,412,140

OTHER RECEIVABLES		
In local currency		
Individual shareholder	747,227	248,210
Other shareholders	909,086	-
PDG Realty S.A. Empreendimentos e Participações	667,882	75,820
Maltería del Puerto S.A.	150,350	20,860
Canfot S.A.	1,612,741	-
Pico y Cabildo S.A.	16,140	-
	4,103,426	344,890
In foreign currency		
Marina Río Luján S.A.	5,576,973	788,925
Alto Palermo S.A.	2,480,737	-
Maltería del Puerto S.A.	27,001,330	-
Birzey International S.A.	21,746	-
Miwok S.A.	794,324	-
	35,875,110	788,925

TRADE PAYABLES		
Current		
Canfot S.A.	79,929	79,929
Maltería del Puerto S.A.	13,189	13,189
	93,118	93,118
Noncurrent		
IRSA Inversiones y Representaciones S.A.	42,224,900	-
	42,224,900	-

LOANS		
Pico y Cabildo S.A.	6,673,816	-
	6,673,816	-

CUSTOMER ADVANCES		
Corrientes		
Marina Río Luján S.A.	-	407
	-	407

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Note 7 Related parties (continued)

a) As of December 31, 2011 and 2010, the amounts outstanding with Companies as per art. No. 33 – Law No. 19,550 and other related parties are as follows (continued):

CUSTOMER ADVANCES		
Noncurrent	**Dec 31, 2011**	Dec 31, 2010
Alto Palermo S.A.	35,048,466	32,377,486
IRSA Inversiones y Representaciones S.A.	11,965,151	-
	47,013,617	32,377,486

OTHER LIABILITIES		
Maltería del Puerto S.A.	6,257,790	-
Canfot S.A.	140,676	-
Birzey International S.A.	26,141	-
	6,424,607	-

b) As of December 31, 2011 and 2010, the most significant operations with Companies as per art. No. 33 – Law No. 19,550 and other related parties are as follows:

	Gain / (Loss)	
SERVICES RENDERED AND COMMISSIONS EARNED	**Dec 31, 2011**	Dec 31, 2010
Maltería del Puerto S.A.	4,872,404	3,476,970
Canfot S.A.	3,716,402	4,345,190
Marina Río Luján S.A.	581,758	-
Compañía Argentina de Participaciones S.A.	-	7,500
	9,170,564	7,829,660

ADVANCES MADE		
Maltería del Puerto S.A.	1,578,500	-
	1,578,500	-

LOANS MADE		
Maltería del Puerto S.A.	43,244,179	-
Marina Río Lujan S.A.	4,226,250	-
	47,470,429	-

LOANS RECEIVED		
Pico y Cabildo S.A.	7,845,857	-
	7,845,857	-

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Note 7 Related parties (continued)

b) As of December 31, 2011 and 2010, the most significant operations with Companies as per art. No. 33 – Law No. 19,550 and other related parties are as follows (continued)):

	Gain /	(Loss)
FINANCIAL RESULTS, NET	**Dec 31, 2011**	Dec 31, 2010
Marina RL L.L.C.	-	(60,999)
Maltería del Puerto S.A.	3,141,518	(4,995)
Marina Río Luján S.A.	425,581	(8,075)
Pico y Cabildo S.A.	(558,447)	-
Tovleb S.R.L.	-	190
Marinas Río de la Plata S.L.	-	128
Alto Palermo S.A.	(2,394,324)	-
IRSA Inversiones y Representaciones S.A.	(2,443,927)	-
Canfot S.A.	(3,474)	230,165
Miwok S.A.	(5,135)	-
Birsey International S.A.	(184)	-
	1,838,392	156,414
PAYMENTS MADE ON BEHALF OF THIRD PARTIES		
Canfot S.A.	25,141	268,371
Individual shareholders	489,343	178,894
Maltería del Puerto S.A.	129,491	50,457
Pico y Cabildo S.A.	250,212	-
PDG Realty S.A. Empreendimentos e Participações	592,062	-
Birzey International S.A.	21,930	-
Miwok S.A.	776,455	-
	2,284,634	497,722
COLLECTIONS ON SERVICES RENDERED, COMMISSIONS EARNED AND LOANS MADE		
Maltería del Puerto S.A.	26,291,302	3,121,488
Canfot S.A.	4,902,772	8,785,420
Compañía Argentina de Participaciones S.A.	-	9,075
Marina Río Luján S.A.	544,907	-
Pico y Cabildo S.A.	234,073	-
	31,973,054	11,915,983
EQUITY SUBSCRIPTION PLUS ISSUANCE PREMIUM		
Marina Río Lujan S.A.	-	500,010
	-	500,010
EXPENSES MADE FOR THIRD PARTIES		
Marina Río Lujan S.A.	44,214	-
	44,214	-
PAYMENTS MADE ON TRADE PAYABLES		
Maltería del Puerto S.A.	15,505,446	-
	15,505,446	-

Note 8 Breakdown by maturity of and interest rates on investments, credits and debts

a) Classification of investment, credit, and debt balances according to maturity:

Investments	**Dec 31, 2011**	Dec 31, 2010
Maturing		
Up to 3 months	64,697,415	6,220,399
Total investments	64,697,415	6,220,399

Credits	**Dec 31, 2011**	Dec 31, 2010
Maturing		
Up to 3 months	9,333,706	4,550,090
From 3 to 6 months	32,674,511	289,659
From 6 to 9 months	81,422	47,245
From 9 to 12 months	71,728	827,771
Over 12 months	11,054,839	6,708,566
No specific due date	2,324,195	357,179
Up to 3 months		
From 3 to 6 months	291,242	-
From 6 to 9 months	100,536	-
From 9 to 12 months	12,906	-
Up to 3 months	20,860	-
Total credits	55,965,945	12,780,510

Debts		
Maturing		
Up to 3 months	36,973,202	2,946,327
From 3 to 6 months	14,403,102	2,359,207
From 6 to 9 months	-	-
From 9 to 12 months	-	-
Over 12 months	104,715,946	32,377,486
No specific due date	93,118	93,524
Past-due		
Up to 3 months	140,676	-
Total debts	156,326,044	37,776,544

b) Classification of investment, credit, and debt balances, accruing interest and otherwise, as shown below:

Credits	**Dec 31, 2011**	Dec 31, 2010
Accruing interest	-	6,220,399
Not accruing interest	64,697,415	-
	64,697,415	6,220,399
Average nominal annual rate:	**-**	**12%**

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Chairman of the Board

Note 8 Breakdown by maturity of and interest rates on investments, credits and debts (continued)

b) Classification of investment, credit, and debt balances, accruing interest and otherwise, as shown below:

Credits	**Dec 31, 2011**	Dec 31, 2010
Accruing interest	35.059.040	788.925
Not accruing interest	20.906.905	11.991.585
	55.965.945	12.780.510
Average nominal annual rate:		**8%**
Debts		
Accruing interest	18.571.154	337.067
Not accruing interest	137.754.890	37.439.477
	156.326.044	37.776.544
Average nominal annual rate:	**18 %**	**18%**

Note 9 Amendments to the articles of incorporation

On October 30, 2009, the General Special Shareholders' Meeting unanimously decided, *inter alia*, on the following:

a) Convert all the class A and class B non-endorsable common shares into common book-entry shares by amending Article 5 ("Capital") of the articles of incorporation, and deleting Article 6 ("Share Certificate Captions") from the articles of incorporation as it is no longer applicable.

b) Increase corporate equity from $ 28,571 to $ 22,350,000 by capitalizing the "Issuance Premium" account in the sum of $22,321,429. Accordingly, Article 5 ("Capital") of the articles of incorporation was amended.

c) Comprehensively reform the articles of incorporation in order to adjust the same to the regulations in place for companies that offer their shares publicly. This comprehensive reform entailed amendments to Art. 5 ("Capital"), Art. 9 ("Management and Representation"), Art. 11 ("Authority of the Board of Directors"), Art. 12 ("Oversight") and Art. 13 ("Shareholders' Meeting"); deletion of Art. 7 ("Limitations to share transfers"); and the inclusion of a new Art. 12 ("Audit Committee"), Art. 13 ("Statutory regulations on mandatory public offering") and Art. 14 ("Mandatory public offering in the event of acquiring a relevant interest").

d) Include an interim provision in the articles of incorporation in order that the amendments introduced under the comprehensive reform mentioned in the preceding paragraph should be effective as of the moment that the Company actually makes a public offering and/or lists all or part of its shares.

e) Increase corporate equity by up to the sum of $ 61,800,000, by issuing up to 61,800,000 common book-entry shares, as determined by the Board of Directors, with a par value of $ 1 each and with one vote per share, to be offered publicly in the country and/or abroad. Payment of this increase may be made (i) by capitalizing certain preexisting obligations of the Company to be determined by the Shareholders' Meeting or (ii) in cash; with dividend rights rating *pari passu* with the shares of the Company outstanding at the time of the issuance. This capital increase entailed amending Article 5 ("Capital") of the articles of incorporation.

Note 9 Amendments to the articles of incorporation (continued)

On October 30, 2009, the General Special Shareholders' Meeting unanimously decided, *inter alia*, on the following (continued):

f) Include an interim provision in the articles of incorporation in order that the capital increase mentioned in the preceding point should not be cancelled other than with the affirmative vote of the class B shareholders. Likewise, the implementation of the other conditions for the issuance of shares to be publicly offered by the Board of Directors must require the affirmative vote of at least one director appointed by the class B shareholders.

g) Consider the issuance of stock options in favor of certain present and future executives and external advisors of the Company, with the simultaneous and implied decision of increasing corporate equity commensurately to respond to the exercise of rights under the stock options.

The increase in corporate equity described in b) above was registered with the Corporate Records Office on January 21, 2010.

The restated text of the articles of incorporation including the amendments indicated in the preceding paragraphs, except for the increase in corporate equity described in paragraph b), was registered with the Corporate Records Office on January 28, 2010.

On February 19, 2010, the General Special Shareholders' Meeting unanimously decided, *inter alia*, on the following:

a) Introduce modifications in relation to the requisite quorums for calls to meeting and decisions adopted at the Regular and Special Shareholders' Meetings, by amending Art. 11 ("Shareholders' Meetings") of the articles of incorporation.

b) Amend Art. 14 ("Mandatory public offering in case of acquiring a relevant interest") of the articles of incorporation in order to adjust the same to current regulations applicable to company that offer their shares publicly

On April 13, 2010, the General Special Shareholders' Meeting unanimously decided, *inter alia*, on the following:

a) Amend Art. 14 ("Mandatory public offering in case of acquiring a relevant interest") of the articles of incorporation and introduce adjustments to the quorums required to validly hold meetings and adopt resolutions at the Regular and Special Shareholders' Meetings, by amending Art 11 ("Shareholders' Meetings") of the articles of incorporation.

b) Draw up a new text of the articles of incorporation, to become effective once the Company actually conducts the public offering and/or listing of the shares in the Argentine Republic in accordance with the amendments decided upon at the Shareholders' Meetings of the Company held on October 30, 2009, and February 19, 2010.

The amendments to the articles of incorporation agreed upon at the Shareholders' Meetings held on February 19, 2010, and April 13, 2010, were registered with the Corporate Records Office on May 3, 2010.

On November 4, 2010, pursuant to the powers granted them by the Shareholders' Meeting on October 30, 2009, the Members of the Board decided the following:

Note 9 Amendments to the articles of incorporation (continued)

a) The subscription price was set at $ 9.034 per share as a result of the demand curve drafted in accordance with the subscription orders received during the share subscription period, which took place between October 21, 2010, and October 28, 2010. Therefore, the capital increase was set at $ 47,999,485 by means of the issuance of 47,999,485 common book-entry shares at a nominal value of $ 1 per share and with 1 voting right per share. The difference between the subscription price and the nominal price of each share was allocated—net of expenses—to setting up a special premium issuance provision. Additionally, the Board decided not to make another public subscription offering within the next six months.

b) The division of corporate equity into different types of shares was eliminated, thereby converting common book-entry shares into a single class of share.

c) The new shareholders' registry to be managed by Caja de Valores S.A. as of November 5, 2010 was implemented.

d) The Company's corporate equity was set at $ 70,349,485, and it was recorded that 31,984,275 common book-entry shares were subscribed in the Argentinean tranche of the offering of shares, and 16,015,210 common book-entry shares were subscribe as Global Depositary Shares in the international tranche of the offering of shares.

On December 20, 2011, the Special Shareholders' Meeting of the Company unanimously decided to modify Articles Nine (Authority of the Board) and Four (Business Purpose) of the Articles of Incorporation to allow for the furnishing of security in favor of third parties without having to secure the prior consent of the Shareholders' Meeting and to emend certain ambiguities as to the business purpose and expand the same to include construction activities, respectively.

As of the date of these financial statements, the capital increase of November 4, 2010 and the amendments to Articles Nine and Four of the Articles of Incorporation were pending registration with the Public Registry of Commerce, having begun the requisite paperwork with the C.N.V.

Note 10 Loans

Following are details of loans executed by the Company outstanding as of December 31, 2011. Note 15 to the consolidated financial statements must be considered along with this note:

1. Maltería del Puerto S.A. applied with the Company for several credit facilities to fund works and other expenses related to the development and construction of the Forum Puerto Norte project. The disbursement of the funds must be requested by Maltería del Puerto S.A., providing for its refund within a maximum of 1 year, from the date of each requested disbursement. The principal disbursed by the Company will accrue current interest at a nominal annual rate, calculated on disbursed principal, and will be paid together with principal on the stipulated due.

The breakdown of each facility applied for with the Company is detailed below:

Shareholder	#	Date	Total amount	Amount requested	Amount paid	Rate
TGLT S.A.	1	05/05/2011	US$ 4,000,000	US$ 4,000,000	US$ 4,000,000	9%
	2	06/23/2011	US$ 1,000,000	US$ 1,000,000	US$ 1,000,000	9%
	3	07/13/2011	US$ 500,000	US$ 500,000	US$ 500,000	9 %
	4	07/29/2011	US$ 1,000,000	US$ 1,000,000	US$ 1,000,000	9 %
	5	07/29/2011	US$ 505,310	US$ 505,310	US$ 505,310	10.14%
	6	07/29/2011	US$ 2,000,000	US$ 2,000,000	US$ 2,000,000	9%
	6	07/29/2011	US$ 505,310	US$ 505,310	US$ 505,310	10.14%
	7	06/23/2011	US$ 1,000,000	US$ 1,000,000	US$ 1,000,000	9 %

US$: United States dollars.

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

Note 10 Loans (continued)

The amount outstanding under the aforementioned credit facilities as of December 31, 2011, totals $ 27,001,330 (principal plus interest), shown in “Other receivables” under current assets.

2. On December 16, 2010, the Company offered to make a loan to Alto Palermo S.A. (APSA) in the sum of US$ 560,000 (five hundred and sixty thousand US dollars). On that date, APSA accepted the loan offered by the Company.

   Following are the main characteristics of the loan extended:

   a) The final due date of the loan is one calendar year from the disbursement date.

   b) The loan accrues interest as from its disbursement date and until maturity at an interest rate equivalent to a nominal four percent (4%) per annum on the principal amount.

   c) Interest must be paid together with principal.

   As of December 31, 2011, the loan amount (principal plus interest) totals $2,480,737, and included in “Other receivables”, current section.

3. On May 20, 2011, the Company applied for, and Pico y Cabildo S.A. granted, a credit facility for up to US$ 2,000,000. The funds must be requested by the Company with a repayment term ranging from 1 month to 1 year, as from the date of the requested disbursement. Principal disbursed by Pico y Cabildo S.A. shall accrue interest at a nominal 5% per annum calculated on disbursed principal and shall be paid together with principal on the stipulated due date.

   As of the date of these financial statements, the Company had received funds totaling US$ 1,526,231, under the requested credit facility.

   The amount pending payment by the Company under the aforementioned facility as of December 31, 2011, totals $ 6,673,816 (principal plus interest), shown in “Loans” under current liabilities.

Note 11 Shareholders’ Agreements

1. On December 22, 2008, the Company, PDG Realty S.A. Empreendimentos e Participações, Eduardo Rubén Glusman, Juan Carlos Paladini, Osvaldo Roberto Paladini, Verónica Lis Gonzalo and Juan Carlos Rossetti entered into a shareholders’ agreement in relation to Maltería del Puerto S.A.

Pursuant to the Shareholders’ Agreement, the parties agreed, if and when the board of directors of Maltería del Puerto S.A. so decides, to attend a General Special Shareholders’ Meeting and meet the requisite quorum and vote in favor of certain increases to Corporate Capital.

Finally, the Company assumed the obligation—in case Maltería del Puerto S.A.’s corporate equity was insufficient for attaining its corporate purpose—of loaning it, pro se or on behalf of third parties, the amounts required for said corporate purpose.

Note 11 Shareholders' Agreements (continued)

2. On October 30, 2009, Federico Nicolás Weil and PDG Realty S.A. Empreendimentos e Participações entered into a shareholders' agreement in relation to the Company, which became effective once the Company launched its public offering and will remain effective until the equity interests held by any of the shareholders in the Company falls to less than 10% of its corporate equity.

Among the most relevant provisions that govern this Shareholders' Agreement, the following can be mentioned:

a) Stipulations for the designation and removal of directors and statutory auditors;

b) Stipulations for voting at Shareholders' Meetings (such as those mentioned in c) below), whereby the shareholders may only cast their votes as previously agreed by them in writing in relation to the Shareholders' Meeting in question;

c) Supermajorities for certain decisions to be adopted at Board of Directors' meetings, such as: (i) call to Shareholders' Meeting to approve a capital increase, launch public share offerings, merge, spin off, dissolve and/or wind up the Company and/or amend its articles of incorporation; (ii) acquisition or sale of real estate other than in the ordinary course of business; (iii) approval of investments not related to the real estate or mortgage businesses in the Republic of Argentina; (iv) approval of the aggregate annual budget, among other things;

d) Limitations to share transfers;

e) Right of first refusal to acquire the shares; and

f) Tag-along rights.

In the event of any breach of the provisions of the referred agreement by any of the parties, if the breaching party does not remedy its breach within the term provided therein, the non-breaching party may opt for: (i) demanding specific performance and damages payments; (ii) referring the matter to arbitration; or (iii) declaring the agreement terminated, in which case it may opt for any of the following alternatives: (a) buying all the shares of the breaching shareholder at market value minus 25% as penalty; (b) selling its own shares to the breaching shareholder at market value plus 25% as penalty; or (c) filing for damages.

Note 12 Joint Venture Agreement between TGLT S.A. and PDG Realty S.A. Empreendimentos e Participações

On August 15, 2007 the Company and PDG Realty S.A. Empreendimentos e Participações ("PDG S.A.") entered into a Joint Venture Agreement, (the "Agreement") whereby both parties set forth the rights and obligations associated with the joint investments by PDG S.A. and the Company in real estate projects.

In accordance with the provisions set forth in the Agreement, PDG S.A. put forth its intention of initially investing up to one hundred million U.S. Dollars (US$ 100,000,000) jointly with the Company in the real estate projects in which the Company participates, either directly by acquiring land or property already built, or by acquiring stock from companies owning land or real estate.

The Agreement establishes that the Company is entitled to make investments at will in projects without having to offer PDG S.A. the opportunity to participate. In those projects in which the Company lacks the financial capacity or does not have the intention of financing its entire interest, it will use a joint investment scheme in partnership with PDG S.A. as per the terms set forth in said agreement, the latter holding a preemptive investment right.

Note 12 Joint Venture Agreement between TGLT S.A. and PDG Realty S.A. Empreendimentos e Participações (continued)

Each Project in which PDG S.A. and the Company participate is to be structured through an Argentinean business corporation created or acquired for that purpose. In the event that the sum of (i) PDG S.A.'s direct shareholding in each of the corporations created or acquired for the aforementioned purposes and (ii) PDG S.A.'s indirect shareholding in said corporations through its shareholding in the Company should exceed 50%, PDG S.A.'s consent shall be required when making the decisions listed specifically in the Agreement. The most significant decisions are those following:

- Carrying out individual actions that entail increasing the debt of the companies created or acquired above the net worth of said companies.
- Hiring third-party services for amounts greater than US$250,000 in the execution of any individual Project.
- Creating joint ventures or any other type of partnership with third parties for the purposes of developing an individual project.
- Selling, leasing, renting or any other action entailing the disposal of the property or use and enjoyment of all or a substantial portion of the assets of the companies created or acquired other than in the ordinary course of business.
- Corporate capital increases greater than those approved in the business plans of the companies created or acquired, whereby PDG S.A.'s consolidated shareholding interest were reduced at least by 50% of its initial interest in those companies were it not to subscribe them.
- Presentation of the companies created or acquired as a result of voluntary bankruptcy, bankruptcy, or court-supervised arrangements with creditors, and any decision concerning the liquidation of the referred companies, except in the event of having disposed of all or a significant part of the fixed assets of the same.

PDG S.A. must pay the Company certain percentages out of the profits earned on each project in which they participate jointly, as per the provisions of that agreement. The Agreement will be effective for 15 years as from its date of execution.

Note 13 Non-competition agreement

On August 15, 2007, PDG Realty S.A. Empreendimentos e Participações ("PDG S.A."), Federico Nicolás Weil and TGLT S.A. entered into a non-competition agreement whereby the parties to said agreement stipulated certain mutual restrictions regarding investment, including:

a) For as long as Federico Nicolás Weil is acting General Manager of TGLT S.A., he agrees to conduct any negotiations, investments, and/or development of real estate businesses in the Republic of Argentina exclusively through TGLT S.A.

b) Once Federico Nicolás Weil is no longer General Manager of TGLT for a period of two (2) years, he shall refrain—whether directly or indirectly through third parties—from conducting any negotiations, investments, and/or development of real estate business for housing construction in the Republic of Argentina.

Note 13 Non-competition agreement (continued)

c) For three (3) years as of the date of the Non-Competition Agreement, provided PDG S.A. continues to be a TGLT S.A. shareholder, PDG S.A. shall be bound to continue to channel any residential real estate business in the Republic of Argentina through TGLT S.A.

   If TGLT S.A. decides not to take part in said real estate business, PDG S.A. may not take part in it either.

d) For three (3) years as from the date of the Non-Competition Agreement, provided PDG S.A. continues to be a TGLT S.A. shareholder, PDG S.A. may invest in non-housing projects, with the obligation of notifying TGLT S.A. immediately upon identifying said opportunity. TGLT S.A. may participate in the projects identified by PDG S.A., adhering to the financial conditions stipulated in Joint Venture Agreement

   If TGLT S.A. decides not to participate in any of those Projects, PDG S.A. may do so on its own or associated with third parties, provided it is not done in conditions that are more favorable than those offered in due course to TGLT S.A.

e) Upon expiration of the three-year (3) exclusivity period from the date of the Non-Competition Agreement, for two (2) years PDG S.A. and any of its affiliates shall refrain from conducting any negotiations, investments, and/or total or partial, direct or indirect development of activities in the Republic of Argentina, whether directly or indirectly through third parties, likely to compete with the business and activities associated with residential real estate development for housing construction in which TGLT S.A. may have invested.

Note 14 Litigation

On January 5, 2012, Maltería del Puerto and the Company learned that Ingeniero Guillermo Milia S.A. (IGM), a contractor that the Company hired for the provision of concrete and masonry services in the “Forum Puerto Norte” and “Astor Caballito” projects, respectively, had not paid the second half of December and the supplementary annual salary (SAC) to its employees, which resulted in a walkout by its workers from the site. The Company was thus forced to assume the labor contingencies, terminate the relationship with IGM and take over the works, as described below:

On December 18, 2011, the Company received a demand for information from the Construction Workers’ Union of the Argentine Republic (UOCRA) and from the Construction Personnel Health Insurance Corporation (OSPECON), in relation to the personnel affected at those works and hired through IGM. On January 25, 2012, those entities assessed a debt of $ 78,745, making this claim extensive to the Company, respectively, on a joint-and-several basis, pursuant to the provisions of article 32 of Law No. 22250.

Moreover, during December 2011, the Company signed collective employment agreements in relation to the IGM personnel assigned to the “Astor Caballito” project. Thus, in its capacity as owner of the “Astor Caballito” project and as joint-and-several guarantor for the labor obligations of the workers of IGM, the Company paid off, during January and February 2012, the debt IGM owed to its workers, paying them all salaries owed under the supervision of the Ministry of Labor, in addition to their respective supplementary annual salary, unemployment fond and final settlement.

As of the date of these financial statements, the Board of Directors of the Company felt that no material losses would result from the resolution of the situation discussed in the preceding paragraphs.

Note 15 Stock option plan

On October 30, 2009, the Company's Shareholders' Meeting decided to establish an options purchase plan on shares to be issued by the Company for the benefit of certain executives and current and future outsourced consultants (the "Executives") (the "Stock Options"). The Stock Options would generate value for the Executives if the listed price of the Company's shares were to increase above the subscription price of the shares issued as a result of the capital increase approved on November 4, 2010 (the "Subscription Price"). Thus, exercising Stock Options would imply earnings for the Executives if an actual appreciation of the Company's shares occurs, and consequently, capital gains for the shareholders. Therefore, Stock Options entail the benefit of efficiently aligning the Executives' interests with those of the Company and its shareholders. The price at which Stock Options are exercised shall be the same as the Subscription Price. In this regard, it is clarified that the value of Stock Options does not directly depend on there being earnings in a certain fiscal year nor on the distribution of dividends by the Company, but rather on the positive evolution of the price of Company shares on the stock markets (which by their very nature contemplate the potential issuing of shares upon the exercise of Stock Options).

Stock Options would collectively entitle holders to subscribe for up to the equivalent of seven percent (7%) of the corporate equity generated by the Offering, taking into account and including the shares issued under Stock Options, subject to the final terms and conditions determined by the Board. The full period during which Stock Options may be exercised by their holders shall be five (5) years counted as from the date on which they were granted, for up to one fifth per annum, with the exceptions that may be established by the Board in accordance with market practices in order to accelerate the exercise of Stock Options..

On December 20, 2011, the Shareholders' Meeting approved by majority vote of the shareholders present, to extend, for an additional two years, the term to issue the shares needed to implement the incentives plan for officers and employees of the Company as approved by the Shareholders' Meeting held on October 30, 2009.

Note 16 Limit to shareholding in other companies

As provided for in Article 31 of Law No. 19,550 (Law on Business Corporations), no company, except those that are specifically financial or holding companies, may acquire or have shareholding in any one or more companies in amounts exceeding their free reserves and one-half of their capital and legal reserves.

Shareholding, whether through shares or quotas, which exceed said amount must be transferred within six (6) months following the approval of the financial statements that disclose that the limit has been exceeded.

As of December 31, 2011, the Company had long-term investments for the amount of $ 232,133,139. To said date, the Company had exceeded the limit established in Article 31 of Law No. 19.550 by $ 7,852,010.

In accordance with Chapter XXIII.11.11 "Article 31 of Law 19,550" of the restated CNV text, for the purposes of calculating the limit set out by Art. 31 of Law 19550, only the interests held in companies the business purpose of which is not supplemental to or subsumed in the business purpose of the holding company will be taken into consideration, at their recorded value.

As of December 31, 2011, the Company had shareholding in companies the lines of business of which supplement and/or are included in the Company's line of business, and therefore, the limit regarding shareholding in other companies established by Art. 31 of Law 19,550 are inapplicable regarding what was stated in the above paragraph.

Note 17 Result from valuation of inventory at net realization value

As mentioned in Note 3.4.d., the inventory for which advance payments was received, thereby establishing a fixed price and contractual terms for the transaction, and secure the actual consummation of the sale and profit, is valued at the net realization value indicated.

The inventory valuation method using net realization value requires Company Management to draft cost budgets and total sales of its real estate projects. The modifications to such estimates are regularly incorporated into those budgets and directly impact on the income for valuation of inventory at net realization value.

Following is the most relevant information used by the Company to acknowledge income for valuation of inventory at net realization value at the close of the period:

Projects	Costs		Sales			Result from valuation of inventory at NRV		
	Incurred as of 12/31/2011 (1)	Work progress (*) (2)	Secured as of 12/31/2011 (3)	Sales progress (**) (4)	Expenses from secured sales (5)	Accumulated as of 12/31/2011 (6) = (3) * (2) - (1) * (4) - (5)	Accumulated as of 12/31/2010 (7)	For the period (8) = (6) – (7)
"Astor Caballito"	59,058,130	28%	10,942,558	4%	90,551	536,869	-	536,869

(*) Weighted-average progress of works for secured sales of each building of each project
(**) Weighted-average progress of works for costs incurred in each building of each project

Note 18 Restricted Assets

Restricted assets of the Company as of December 31, 2011, are detailed in Note 12 to the consolidated financial statements.

TGLT

EXHIBIT A

TGLT S.A.

INDIVIDUAL FIXED ASSET STRUCTURE AND EVOLUTION

AS OF DECEMBER 31, 2011 and 2010

(figures in pesos expressed as described in Note 3.1.)

	Original cost			Accumulated depreciation			Resulting net figure	
	At start	Increases	At close	At start	Increases	At close	Dec 31, 2011	Dec 31, 2010
Furniture and supplies	282,025	167,083	449,108	81,272	44,910	126,182	322,926	200,753
Hardware	241,936	199,835	441,771	140,191	123,074	263,265	178,506	101,745
Improv. to 3rd pty props.	252,719	474,942	727,661	249,487	161,546	411,033	316,628	3,232
Vendor advances in foreign currency (*)	-	1,591,474	1,591,474	-	-	-	1,591,474	-
Totals as of Dec 31, 2011	776,680	2,433,334	3,210,014	470,950	329,530	800,480	2,409,534	-
Totals as of Dec 31, 2010	591,725	184,955	776,680	291,691	179,259	470,950	-	305,730

(*) See Exhibit G

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

EXHIBIT B

TGLT S.A.

INDIVIDUAL GOODWILL AND OTHER INTANGIBLE ASSETS

AS OF DECEMBER 31, 2011 and 2010

(figures in pesos expressed as described in Note 3.1.)

	Original cost				Accumulated amortization				Net result	
INTANGIBLE ASSETS	**At start**	**Increases**	**Retirements**	**At close**	**At start**	**For period (1)**	**Retirements**	**At close**	**Dec 31, 2011**	**Dec 31, 2010**
Software	166,118	18,235	-	184,353	55,373	61,451	-	116,824	67,529	110,745
Trademarks	3,510	11,561	-	15,071	1,215	1,411	-	2,626	12,445	2,295
Software development	98,973	552,558	-	651,531	-	-	-	-	651,531	98,973
Totals as of Dec 31, 2011	268,601	582,354	-	850,955	56,588	62,862	-	119,450	731,505	-
Totals as of Dec 31, 2010	111,933	168,668	12,000	268,601	960	55,628	-	56,588	-	212,013

	Original cost				Accumulated depreciations				Net result	
GOODWILL	**At start**	**Increases**	**Retirements**	**At close**	**At start**	**For period (2)**	**Retirements**	**At close**	**Dec 31, 2011**	**Dec 31, 2010**
Negative goodwill - Marina Río Luján S.A.	(4,529,940)	-	-	(4,529,940)	(451,769)	(351,381)	-	(803,150)	(3,726,790)	(4,078,171)
Negative goodwill - Maltería del Puerto S.A.	(9,439,824)	-	-	(9,439,824)	(1,803,693)	(4,326,912)	-	(6,130,605)	(3,309,219)	(7,636,131)
Negative goodwill - Pico y Cabildo S.A.	-	(538,089)	16,143	(521,946)	-	(308,401)	4,782	(303,619)	(218,327)	-
Goodwill - Canfot S.A.	46,492,271	15,471,388	(5,632,497)	56,331,162	-	10,951,414	(788,362)	10,163,052	46,168,110	46,492,271
Totals as of Dec 31, 2011	32,522,507	14,933,299	(5,616,354)	41,839,452	(2,255,462)	5,964,720	(783,580)	2,925,678	38,913,774	-
Totals as of Dec 31, 2010	-	32,522,507	-	32,522,507	-	(2,255,462)	-	(2,255,462)	-	34,777,969

(1) Included in "Other expenses" in the Income Statement.

(2) Included in "results from long-term investments" in the Income Statement.

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

EXHIBIT C

TGLT S.A.

INDIVIDUAL INVESTMENTS

AS OF DECEMBER 31, 2011 and 2010

(figures in pesos expressed as described in Note 3.1.)

Description	Issuer	Term	Face value	Market Quote at Dec 31, 2011 (%)	Value recorded as of Dec 31, 2011	Value recorded as of Dec 31, 2010
CURRENT INVESTMENTS						
Time deposit	HSBC Bank Argentina S.A.	-	-	-	-	6,220,399
Mutual funds in foreign currency (*)	Sundry	Open	U$S 13,298,540	104.80	56,704,973	-
Commercial papers in foreign currency (*)	Sundry	Open	U$S 1,874,400	94.00	7,992,442	-
Totals					64,697,415	6,220,399

US$: United States dollars

(*) See Note 3.4.b

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For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

EXHIBIT C (continued)

TGLT S.A.

INDIVIDUAL INVESTMENTS

AS OF DECEMBER 31, 2011 and 2010

(figures in pesos expressed as described in Note 3.1.)

Name of issuer and characteristics of the securities	Face value	Value recorded as of Sep 30, 2011	Value recorded as of Dec 31, 2010	Information on issuer – As per most recent financial statement issued: Main line of business	Legal address	Closing date	Corp. capital	Period results	Shareholders' equity	Percentage interest
NONCURRENT INVESTMENTS										
Canfot S.A.	$1 of 1 vote each	52,020,999	31,397,774	Construction and sale of real estate of all kinds	Av. S. Ortíz 3333 – Floor 1 - C Buenos Aires, Argentina	12/31/2011	48,238,100	13,801,007	57,040,551	90.91%
Maltería del Puerto S.A.	$100 of 1 vote each	24,331,463	17,856,370	Construction and sale of real estate of all kinds	Av. S. Ortíz 3333 – Floor 1 - C Buenos Aires, Argentina	12/31/2011	21,536,400	7,249,700	32,167,550	75.00%
Marina Río Lujan S.A.	$100 of 1 vote each	8,436,323	8,846,726	Construction and sale of real estate of all kinds	Ing. Enrique Butty 220 - Floor 11 – Apt.. A – Buenos Aires, Argentina	12/31/2011	22,076,200	(866,797)	16,818,638	49.99%
Pico y Cabildo S.A.	$100 of 1 vote each	9,014,360	-	Construction and sale of real estate of all kinds	Juramento 2017 – 2nd floor Apt. B – Buenos Aires	12/31/2011	8,000,000	(263,266)	9,230,060	97.00%
Birzey Internacional S.A	$U of 1 vote each	(26,141)	-	Investor	Plaza Independencia 811 P.B. – Montevideo –Uruguay	12/31/2011	4,459	(21,133)	(26,345)	100.00%
Totals		93,777,004	58,100,870							

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

TGLT

EXHIBIT G

TGLT S.A.

INDIVIDUAL ASSETS AND LIABILITIES IN FOREIGN CURRENCY

AS OF DECEMBER 31, 2011 and 2010

Item	Kind and amount of foreign currency		Exchange rate	Amount accounted for in pesos	Amount accounted for in pesos
	Dec 31, 2011				Dec 31, 2010
ASSETS					
Current assets					
Cash and banks:					
Cash	US$	850	4.264	3,624	3,208
	Reales	97	2.29	222	425
				3,846	3,633
Banks	US$	54,159	4.264	230,934	159,009,124
Investments:					
Mutual funds	US$	13,298,540	4.264	56,704,973	-
Commercial Papers	US$	1,874,400	4.264	7,992,442	-
Trade receivables:					
Balances with related parties	US$	191,261	4.264	815,538	1,412,140
Individual debtors	US$	74,283	4.264	316,743	-
Other receivables:					
Balances with related parties	US$	8,413,487	4.264	35,875,110	788,925
Insurance to be accrued	US$	90,057	4.264	384,003	241,343
Vendor advances	US$	-	4.264	-	58,237
Expenses to be accounted for	US$	600	4.264	2,558	3,761
Sundry	US$	10,000	4.264	42,640	-
Total current assets				102,368,787	161,517,163
Noncurrent assets					
Other receivables:					
Security deposit	US$	45,000	4.264	191,880	110,209
Insurance to be accrued	US$	26,903	4.264	114,715	-
Inventory:					
Advance payments to suppliers	US$	5,129,706	4.304	22,078,255	-
Fixed assets:					
Advance payments to suppliers	US$	373,235	4.264	1,591,474	-
Total noncurrent assets				23,976,324	110,209
Total assets				**126,345,111**	**161,627,372**

US$: United States dollars

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For the Supervisory
Commission

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Federico Nicolás Weil
Chairman of the Board

EXHIBIT G (continued)

TGLT S.A.

INDIVIDUAL ASSETS AND LIABILITIES IN FOREIGN CURRENCY

AS OF DECEMBER 31, 2011 and 2010

Item	Kind and amount of foreign currency (Dec 31, 2011)		Exchange rate (Dec 31, 2011)	Amount accounted for in pesos (Dec 31, 2011)	Amount accounted for in pesos (Dec 31, 2010)
LIABILITIES					
Current liabilities					
Trade payables:					
Common vendors	US$	-	4.304	-	424,446
Expense provision	US$	140,890	4.304	606,392	61,729
Works provision	US$	215,625	4.304	928,050	-
Insurance payable	US$	88,928	4.304	382,748	244,403
				1,917,190	730,578
Loans:					
Balances with related parties	US$	1,550,608	4.304	6,673,816	-
Loans received	US$	1,019,042	4.304	4,385,955	-
Other liabilities:					
Balances with related parties	US$	1,492,706	4.304	6,424,607	-
Purchase of stock	US$	4,215,878	4.304	18,145,137	-
Total current liabilities				37,546,705	730,578
Noncurrent liabilities					
Trade payables:					
Balances with related parties	US$	9,810,618	4.304	42,224,900	-
Customer advances					
Balances with related parties	US$	10,923,238	4.304	47,013,617	32,377,486
Advance collections	US$	3,803,762	4.304	16,371,392	-
Total noncurrent liabilities				105,609,909	32,377,486
Total liabilities				**143,156,614**	**33,108,064**

US$: United States dollars

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For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
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C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

TGLT

EXHIBIT H

TGLT S.A.

INDIVIDUAL INFORMATION REQUIRED BY ARTICLE NO. 64, SECTION I, SUBSECTION B) OF LAW NO. 19,550

FOR THE PERIODS ENDED ON DECEMBER 31, 2011 AND 2010

(figures in pesos expressed as described in Note 3.1.)

Account	Cost of services rendered	Sales expenses	Administrative expenses	Totals as of Dec 31, 2011	Totals as of Dec 31, 2010
Sales and social security contributions	9,088,081	1,991,344	3,028,477	14,107,902	7,042,964
Other personnel expenses	299,168	65,552	99,694	464,414	125,291
Rent and expenses	751,580	164,683	250,454	1,166,717	747,815
Professional fees	-	512,589	2,757,392	3,269,981	1,856,648
Directors' fees	-	-	180,000	180,000	40,000
Examiners' fees	-	-	86,000	86,000	59,000
IPO expenses	-	-	1,275,884	1,275,884	1,862,292
Taxes, duties and assessments	-	580,190	137,138	717,328	366,707
Transportation and per diems	246,072	53,918	82,000	381,990	175,909
IT expenses and services	332,772	72,916	110,892	516,580	352,795
Insurance	-	92,906	453,598	546,504	169,577
Office expenses	-	-	341,965	341,965	168,814
Fixed asset depreciation	-	-	329,530	329,530	179,259
Advertising expenses	-	334,220	-	334,220	634,861
Donations	-	-	40,375	40,375	-
Overhead	-	362,310	233,109	595,419	184,830
Entertainment expenses	-	3,853	-	3,853	25,530
Totals as of Dec 31, 2011	10,717,673	4,234,481	9,406,508	24,358,662	-
Totals as of Dec 31, 2010	5,439,986	1,852,379	6,699,927	-	13,992,292

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For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

TGLT S.A.

ADDITIONAL INFORMATION REQUIRED BY ARTICLE NO. 68 OF THE REGULATION OF THE BUENOS AIRES STOCK EXCHANGE

(figures in pesos denominated in accordance with the description of Note 3.1.)

1. There are no significant specific regulations that bear on the Company.
2. There are no significant modifications to the Company's activity.
3. Regarding classification of the balances pertaining to investments, credit, and debts by age of accounts, see Note 8.a) to **TGLT S.A.**'s individual financial statements.
4. Regarding classification of balances pertaining to investments, credit, and debts based on the financial effects caused by maintenance of the same, see Note 8.b) to **TGLT S.A.**'s individual financial statements.

    d) The breakdown of investments, credit, and debts in foreign currency as of December 31, 2011, is provided in Exhibit G to the individual financial statements.

    e) There are no assets or liabilities subject to adjustment clauses.

    f) The breakdown of the items which accrue interest is provided in Note 8.b) to **TGLT S.A.**'s individual financial statements.

5. Breakdown of the percentage interest in companies provided for in Article No. 33 of Law No. 19,550:

		Interest	
Company	**Capacity**	**% Equity**	**% Votes**
Maltería del Puerto S.A.	Shareholder	75.00 %	75.00 %
Canfot S.A.	Shareholder	90.91 %	100.00 %
Marina Río Luján S.A.	Shareholder	49.99 %	49.99 %
Pico y Cabildo S.A.	Shareholder	97.00 %	100.00 %
Birzey International S.A.	Shareholder	100.00 %	100.00 %

Regarding the information on companies provided for in Article No. 33 of Law No. 19,550, see Note 7 to **TGLT S.A.**'s individual financial statements.

The breakdown of how interest is distributed in the Company's equity is presented in Note 6 to the individual financial statements de **TGLT S.A.**

6. To the close of the period there is no credit for sales or loans to the benefit of members of the Board, members of the Supervisory Commission, or relatives up to the second degree, and there have not been any during the fiscal year.
7. As of December 31, 2011, the Company owns two properties in the Autonomous City of Buenos Aires, and an advance payment toward the purchase of a property in the City of Rosario, Province of Santa Fe, which represent its inventory, in the total amount of $ 174,521,984.

    No provisions have been established in relation to these properties.

8. The current value of the permanent investments has been calculated in using the proportional asset value method determined in accordance with the provision set forth in Technical Resolution No. 21 by the Argentinean Federation of Professional Economics Boards (F.A.C.P.C.E.) on General Accounting Presentation Regulations, approved by the Professional Council of Economics of the Autonomous City of Buenos Aires (C.P.C.E.C.A.B.A.). To determine the proportional asset value, the financial statements of each company as of December 31, 2011, were used, depending on each particular case.

    Inventory for which price-clinching advance payments have been received and the contractual terms of the operation which provide for the actual closing of the sale and profit are valued at ratable net realization value.

Signed for identification purposes
with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

Gabriel Righini (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

ADDITIONAL INFORMATION REQUIRED BY ARTICLE NO. 68 OF THE REGULATION OF THE BUENOS AIRES STOCK EXCHANGE

(figures in pesos denominated in accordance with the description of Note 3.1.)

Fixed assets were valued at their acquisition cost minus accumulated depreciation, calculated ratably to the estimated years of useful life remaining.

9. There are no reserves from technical revaluations of fixed assets.

10. There are no obsolete fixed assets.

11. As of December 31, 2011, the Company maintained long-term investments in the sum of $ 232,133,139. As of that date, the Company had exceeded the limit provided for in Article 31 of Law No. 19,550 in the sum of $7,852,010.

    As provided for in Article 31 of Law No. 19,550 (Law on Business Corporations), no company, except those that are specifically financial or holding companies, may acquire or have shareholding in any one or more companies in amounts exceeding their free reserves and one-half of their capital and legal reserves.

    Shareholding, whether through shares or quotas, which exceed said amount must be transferred within six (6) months following the approval of the financial statements that disclose that the limit has been exceeded.

    In accordance with Chapter XXIII.11.11 “Article 31 of Law 19,550” of the restated CNV text, for the purposes of calculating the limit set out by Art. 31 of Law 19550, only the interests held in companies the business purpose of which is not supplemental to or subsumed in the business purpose of the holding company will be taken into consideration, at their recorded value.

    As of December 31, 2011, the Company had shareholding in companies the lines of business of which supplement and/or are included in the Company’s line of business, and therefore, the limit regarding shareholding in other companies established by Art. 31 of Law 19,550 are inapplicable regarding what was stated in the above paragraph.

12. The recoverable value taken into account for permanent investments was the proportional asset value, for inventory the net realization value was used, whereas for fixed assets the economic use value was used.

13. Insurance:

Risk covered		Amount insured	
		$	US$
Building	Building fire	8,300,000	-
Building	General fire	415,000	-
Building	General content theft	300,000	-
Building	Water damage	70,000	-
Financial assets	Valuables theft from safe	40,000	-
Financial assets	Theft of valuables in transit	20,000	-
Facilities	Glass	5,000	-
Facilities	Technical insurance	165,000	-
Computer assets	Theft and fire of notebooks and projectors	150,000	-
Computer assets	Reconstruction of documents	100,000	-
Personal	Mandatory life insurance	-	-
Personal	Full civil liability	2,200,000	-
Personal	D&O civil liability	-	10,000,000
Personal	E&O civil liability	-	5,000,000
All-risk	Extraordinary expenses	350,000	-

14. There is no coverage registered according to Company Management criteria and in the opinion of its legal consultants.

15. There are no contingencies that Company Management considers as being other than remote or the financial effects of which—if material—have not been accounted for in the books.

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with our report dated March 8, 2012
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Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

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Federico Nicolás Weil
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ADDITIONAL INFORMATION REQUIRED BY ARTICLE NO. 68 OF THE REGULATION OF THE BUENOS AIRES STOCK EXCHANGE

(figures in pesos denominated in accordance with the description of Note 3.1.)

16. There are no irrevocable contributions charged to future subscriptions.
17. The company's equity is only represented by common shares.
18. In accordance with the Law on Business Corporations, the articles of incorporation, and General Resolution No. 368/2001 by the National Securities Commission, 5% of earnings in a fiscal year must be moved to statutory reserves until said reserves reach 20% of the capital, restated in constant currency

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with our report dated March 8, 2012
Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

For the Supervisory Commission

Ignacio Fabián Gajst
Auditor

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Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

Federico Nicolás Weil
Chairman of the Board

TGLT S.A.

INDIVIDUAL FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011

RATIFICATION OF FACSIMILE SIGNATURES

"We hereby ratify our facsimile signatures affixed to the preceding pages"

On behalf of the Supervisory Commission

Ignacio Fabián Gajst
Examiner

Federico Nicolás Weil
Chairman

"I hereby ratify my facsimile signature affixed to the preceding pages"

Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

AUDITORS' REPORT

To the Directors and Shareholders of
TGLT S.A.
C.U.I.T.: 30-70928253-7
Legal address: Av. Scalabrini Ortiz 3333 – 1st floor
Autonomous City of Buenos Aires

1. We have conducted a limited review of **TGLT S.A.**'s (the "Company") balance sheet to December 31, 2011, and of the income statements, statements of changes to owner's equity, and cash flow statements for the period then ended. Furthermore, we have performed a review of the consolidated balance sheet to December 31, 2011 and 2010 and of the consolidated income and cash flow statements for the period then ended, of **TGLT S.A.** and its subsidiary companies, as per the consolidation process established in notes 3.2 and 3.3 to the consolidated financial statements enclosed herewith.

   Company Management is responsible for drafting and issuing these financial statements in accordance with the accounting standards in effect in the Autonomous City of Buenos Aires, Argentine Republic and the pertinent clauses of the Law on Business Corporations and regulations of the national Securities Commission for the preparation of financial statements. This task includes designing, implementing and maintaining an adequate internal control system to ensure those financial statements are free of material distortions arising from errors or irregularities; selecting and applying adequate accounting policies, and conducting the estimates deemed reasonable under the circumstances. Our responsibility is to state an opinion on those financial statements based on our audit.

2. Our work was conducted in accordance with the auditing standards in effect in the Argentine Republic. These standards require the auditors to plan and conduct their work in order to obtain reasonable assurance of the absence of material distortions in the financial statements

   An audit includes applying procedures, on a selective basis, to obtain elements to analyze the information disclosed in the financial statements. The selected procedures depend on the auditor's professional judgment, who for this purpose assess the risk of material distortions in the accounting statements, arising from errors or irregularities. On conducting this risk assessment, the auditor considers the internal controls existing in the Company, to the extent relevant for the reasonable preparation and submission of the financial statements, in order to select the auditing procedures deemed appropriate under the circumstances, but not to express an opinion on the effectiveness of the internal control system in place at the Company. Likewise, an audit includes evaluating the appropriateness of the accounting policies used, the reasonableness of the accounting estimates made by Company Management and the presentation of the financial statements as a whole.

   We feel that the analytical elements obtained provide a fair, sufficient basis for our audit opinion.

3. As indicated in Note 21 to the consolidated financial statements enclosed herewith, the items and figures contained in the reconciliations to IFRS included in that note, are subject to changes and may only be considered final when the annual financial statements for the period in which IFRS first apply are prepared.

AUDITORS’ REPORT (CONTINUED)

4. As mentioned in Note 3.5.d. to the consolidated financial statements, the inventory corresponding to MARINA RÍO LUJÁN S.A. include a property on which a loss of value had been recognized in previous period for audit purposes, as a result of comparing the book value and technical value resulting from a report prepared by independent professional experts in the matter.

   Moreover, and in accordance with the description made in Note 3.5.d. to the consolidated financial statements, the current value of identifiable net assets (Inventory) incorporated in the process of acquisition of the long-term investments in CANFOT S.A., MALTERÍA DEL PUERTO S.A. and MARINA RÍO LUJÁN S.A., is the result of a report issued by independent professional experts in the matter.

   In view of the foregoing, Company Management has used the technical reports described above as basis for the purposes of determining the current values of certain inventory.

5. In our opinion, based on our examination and as far as determining the current value of certain inventory in the reports mentioned in paragraph 4, the financial statements mentioned in paragraph 1 present fairly in all material respects, the information on the financial situation of **TGLT S.A.** at December 31, 2011 and 2010, the results of its operations, changes to owner’s equity and cash flow for the year then ended, and the information on the consolidation financial situation of the Company and its subsidiaries at December 31, 2011 and 2010, the consolidated results of its operations and consolidated cash flow for the year then ended, in accordance with the accounting standards in effect in the Autonomous City of Buenos Aires, Argentine Republic.

6. In fulfillment of the provisions currently in effect, we hereby report the following:

   a) **TGLT S.A**.’s individual financial statements and its consolidated financial statements are included in the "Inventory and Amounts Outstanding" book, and are in compliance with the provisions set forth in the La won Business Corporations and the relevant resolutions issued by the National Securities Commission;

   b) **TGLT S.A.**’s financial statements and its consolidated financial statements are based on accounting entries made in accordance with the law from a formal standpoint;

   c) We have read sections IV, VI, VIII, X and XV of the Annual Report and Informative Overview and additional information to the notes to the financial statements required by Article No. 68 of the Regulation by the Buenos Aires Stock Exchange, and have nothing to comment regarding the same within the scope of our faculties;

   d) During the year ended at December 31, 2011, we have invoiced fees for audit services provided to the Company, which represent 100% of the total audit services invoiced to the Company and 100% of the total amount invoiced to the Company for all deliverables;

   e) To December 31, 2010 the debt incurred to the benefit of the Integrated Pension System that resulted from the accounting entries and settlements by the Company amounted to $ 380,151.49, not due and payable to said date.

   f) We have applied procedures for the prevention of asset laundering and financing for terrorist activities as required under the pertinent professional standards issued by the Professional Economic Sciences Board of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires, March 8, 2012.

Adler, Langdon, Hasenclever & Asociados
Certified Public Accountants
C.P.C.E.C.A.B.A. Tº 4 - Fº 130

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Tº 245 - Fº 74

REPORT BY SUPERVISORY COMMISSION

To the shareholders of

TGLT S.A.

As Supervisory Commission of TGLT S.A., and in accordance with the provisions set forth in paragraph 5 of Article No. 294 of Law No. 19,550 and the Buenos Aires Stock Exchange Regulations, we have conducted a review of the documents detailed in paragraph I below. The Board of Directors of the Company is responsible for drafting and issuing said documents within the scope of the duties that are exclusively theirs.

I- DOCUMENTS SUBJECT TO REVIEW

a) Balance sheet as of December 31, 2011.

b) Income statement for the year ended on December 31, 2011.

c) Statement of changes to shareholders' equity for the year ended on December 31, 2011.

d) Cash flow statement for the year ended on December 31, 2011.

e) Notes and Exhibits to the financial statements.

f) Consolidated balance sheet as of December 31, 2011.

g) Consolidated income statement for the year ended on December 31, 2011.

h) Consolidated cash flow statement for the year ended on December 31, 2011.

i) Notes and Exhibits to the consolidated financial statements.

j) Annual Report for the Financial Statements as of December 31, 2011.

k) Inventory as of December 31, 2011.

l) Additional information required by Article No. 68 of the Buenos Aires Stock Exchange Regulations.

II- SCOPE OF THE REVIEW

Our task was carried out in accordance with the auditing standards in effect. Said standards require application of the procedures established in Technical Resolution No. 7 by the Argentinean Federation of Professional Economics Boards regarding the limited review of financial statements, and include verifying the congruence of the documents reviewed and the information regarding company decisions presented in minutes, and whether said decisions are in compliance with the law and articles of incorporation from formal and documentary standpoints.

In order to carry out our professional task for the documents listed in paragraph I, a) to i) above, we have conducted a review of the task performed by TGLT S.A.'s external auditors, Adler, Langdon, Hasenclever & Asociados, who issued their report on March 8, 2011, in accordance with the auditing standards. This review included checking how work was planned, the nature, scope and timing of the procedures applied and the results of the audit conducted by those professionals; and it was limited to checking the reasonableness of the material information in the documents examined, their consistency with the information on corporate decisions set out in the minutes and the adherence of said decisions to the law and the articles of incorporation from formal and documentary standpoints.

We have not evaluated the criteria and business decisions regarding management, financing, and commercialization in any of their aspects, because they are the sole responsibility of the Members of the Board of the Company

Also, in relation to the board report for the year ended on December 31, 2011, we have confirmed that it contains the information required by article 66 of the Law on Business Corporations, and as far as our scope of work is concerned, that its numerical data are consistent with the records of the company and other pertinent documents.

Likewise, the provisions set forth in Article 294 of the Law on Business Corporations have been fulfilled.

REPORT BY SUPERVISORY COMMISSION (continued)

III- PRELIMINARY CLARIFICATIONS

i. As indicated in Note 21 to the consolidated financial statements enclosed herewith, the items and figures contained in the reconciliations to IFRS included in that note, are subject to changes and may only be considered final when the annual financial statements for the period in which IFRS first apply are prepared.

ii. As mentioned in Note 3.5.d. to the consolidated financial statements, the inventory corresponding to MARINA RÍO LUJÁN S.A. include a property on which a loss of value had been recognized in previous period for audit purposes, as a result of comparing the book value and technical value resulting from a report prepared by independent professional experts in the matter.

Moreover, and in accordance with the description made in Note 3.5.d. to the consolidated financial statements, the current value of identifiable net assets (Inventory) incorporated in the process of acquisition of the permanent investments in Canfot S.A., Maltería del Puerto S.A. Marina Rio Lujan S.A. and Pico y Cabildo S.A. is the result of a report issued by independent professional experts in the matter.

In view of the foregoing, Company Management has used the technical reports described above as basis for the purposes of determining the current values of certain inventory.

IV- CONCLUSION

Based on our review, within the scope provided for in Chapter II, we hereby report that TGLT S.A.'s financial statements detailed in Chapter I, have been put together in compliance with accounting standards currently in effect in the Autonomous City of Buenos Aires and the relevant regulations of the National Securities Commission, with the considerations mentioned in Chapter III, and contemplate all the facts and circumstances of which we are aware and regarding which we have no further observations.

Additionally we hereby state that:

a) The "additional information required by Article No. 68 of the Buenos Aires Stock Exchange Regulation" is presented reasonably from all the relevant standpoints, regarding the financial statements referred to in Chapter I, taken as a whole.

b) The financial statements referred to in Sections a) to e) of Chapter 1 are taken from accounting entries made in compliance with legal provisions currently in effect, as far as their formal aspects.

c) TGLT S.A.'s individual financial statements and its consolidated financial statements are entered in the "Inventory and Amounts outstanding" book.

d) Also, in relation to the board report for the year ended on December 31, 2011, we have confirmed that it contains the information required by article 66 of the Law on Business Corporations and by Exhibit I of Book VII of General Resolution No. 368/01 of the national Securities Commission, and as far as our scope of work is concerned, that its numerical data are consistent with the records of the company and other pertinent documents. We have no further comments to make in the matters within our scope of work and the forward-looking statements made are under the exclusive responsibility of the board of directors.

e) In accordance with the requirements contained in General Resolution No. 340 by the C.N.V regarding the independence of external auditors and the quality of auditing policies they apply, and regarding the Company's accounting policies, the external auditor's report described above shows that the auditing regulations currently in effect in the Argentine Republic which include requirements regarding independence have been applied, and there are no observations regarding the application of said regulations and professional accounting standards in effect in the Argentine Republic.

f) In the exercise of our duty to ensure legality, during the period we have applied the procedures described in Article No. 294 of Law No. 19,550, which we deem necessary for these circumstances, having no significant observations on the matter.

g) Regarding the surety for members of the Board, current regulations have been fulfilled by taking out fidelity bond insurance.

h) We have applied procedures for the prevention of asset laundering and financing for terrorist activities as required under the pertinent professional standards issued by the Professional Economic Sciences Board of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires, March 8, 2012.

IGNACIO FABIAN GAJST

Chairman of Supervisory Commission