TGLT

INDIVIDUAL CONSOLIDATED FINANCIAL STATEMENTS

TGLT S.A.

AS TO DECEMBER 31, 2012

(Presented comparatively 2011 and 2010)

GrantThornton

TGLT S.A.

FINANCIAL STATEMENTS

AS TO DECEMBER 31, 2012

Presented comparatively - See Note 3.1.

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ANNUAL REPORT AND OVERVIEW

TGLT S.A.

AS TO DECEMBER 31, 2012

TGLT

TGLT S.A.

ANNUAL REPORT AND OVERVIEW

FOR THE YEAR ENDED ON DECEMBER 31, 2012

To the Shareholders of:
TGLT S.A.
Scalabrini Ortiz 3333, 1st Floor
C1425DCB Ciudad Autónoma de Buenos Aires

In compliance with enforcable laws and regulations, we are pleased to submit to the consideration of the Shareholders' Meeting, this Annual Report and Overview for the eighth fiscal year, from January 1st and December 31, 2012.

I. LETTER TO SHAREHOLDERS

1) The Worst of 2012 has been left behind

2012 was the worst year for TGLT since it started operating. Strong changes in the conditions of demand were combined – mainly, a sudden deceleration in certain demand sectors and the disappearance of dollar as the currency of denomination for real estate – with a margin squeeze as a consequence of the accumulation of several years of inflation in the construction costs, which largely exceeded the price increase of properties denominated in dollars. This effect was particularly serious in Forum Puerto Norte, as it was almost completely sold in dollars during the period 2007-2010.

The effect of these market conditions on TGLT was significant, and the decisions we made were decisive:

- **Sales** – we observed a dramatic decrease in the demand of real estate; for this reason we changed our trade policy and started to sell almost exclusively in Argentine pesos. This allowed us to sustain the sales to complete the year with ARS 526 millions, but also eliminated the currency mismatch, which was produced as a consequence of having income denominated in US dollars and debts denominated in Argentine pesos. A significant part of the preliminary sales agreements that had been agreed in US dollars was renegotiated with the clients, and new conditions to denominate them in Argentine pesos were agreed.
- **Launching** – we did not find favorable conditions to launch new projects, so we significantly decreased the launchings of the year to USD 48.1 millions.
- **Construction** – we performed a thorough review of costs and cash flows of ongoing projects, trying to guarantee the availability of resources to comply with the agreed schedules. In some cases – such as Forum Puerto Norte - the terms and conditions with construction companies were renegotiated to adapt the building work terms to unforeseeable circumstances.
- **Overhead expenses** – additionally, we have reorganized our company, to adapt it to these new market conditions, and to reinforce key areas (trade area and building and shopping area.) The staff was reduced and certain contracts that were agreed for 2013 were terminated. New terms and conditions with consultants and suppliers were also agreed. The implementation of this process ended in February, 2013, and it will generate savings in overhead costs for approximately ARS 8 millions for this year, in comparison with 2012.

2012 Financial Statements depict the business suffering as a consequence of the above mentioned factors, in addition to other factors that have neither financial nor economic effects, but must be presented in a non-optimistic way, in accordance with the accounting regulations of this industry.

2) And the Best is still with us

On 2012 we achieved goals in the process of making TGLT a leader company in the real estate sector:

- **Positioning** – in a market that is significantly in contraction, the first remark is the disappearance of opportunist players. Those projects with low differentiation and high competition have reduced sales more drastically than those that are in a privileged position and have outstanding designs and qualities. In this context, TGLT reinforced its market position, showing a noticeable and continuous presence.
- **Organization** – Since our beginning , one of the main goals of TGLT has been to consolidate the best management team in this industry, and during 2013 we are still incorporating some of the best professionals in the market. We have strengthened our commercial arm and we have incorporated excellent project managers. We should also highlight that some important positions have been filled by internal promotions. The fact that people who have a whole career in TGLT are now occupying senior positions is worth mentioning.
- **Uruguay** – We have settled an office in Uruguay and formed a local team. This is the third TGLT office. We set up a strong local team that, together with the Buenos Aires team, successfully launched Forum Puerto del Buceo, our first project in Uruguay. This Project – due to its location, design and scale - is seen as the most important project in Montevideo at this time.

- **Corporate Notes** – we have issued our first corporate notes in the local exchange market. The first placement amounted to ARS 59 million, out of a global schedule of USD 50 million as approved by the Argentine Securities and Exchange Commission (Comisión Nacional de Valores, CNV). We want to continue increasing the presence of TGLT in the local stock exchange by means of different instruments.

- **PDG** – we are still strengthening our relations with PDG our strategic partner, who has demonstrated their commitment to TGLT in circumstances that are changeable for them. A strong bond was set up with the Management of PDG. Carlos "Guga" Piani and Marco Kheirallah, who are respectively the CEO and CFO of PDG since 2013, are now part of TGLT Board of Directors.

- **Progress of the Construction** – we are making high progress in the construction of ongoing projects. During 2012 Forum Puerto Norte completed 91% and Forum Alcorta 55%. The construction of Astor Palermo restarted after the lift of the preliminary injunction. After that 71 % of the units were sold.

3) Prospect for 2013

For our business, it is essential to keep a cash position in accordance with the core business, in times when the demand is changing. Consequently, **maintaining the cash position is our priority for 2013**. This does not mean that TGLT will resign its position in the Argentine Market, but it means that we will maintain a conservative position when it comes to commercial policies, launching decisions, controlling costs and setting efficiency levels in organization expenses. Our Project Portfolio Management has important characteristics for the generation of cash flow:

- **Privileged locations** – they occupy leadership position in each submarket. Properties having these characteristics are the ones that suffer less in moments when the demand is weak.
- **Staged-projects** – Our main projects (over 15,000 m2) are divided into different stages, which allows us to launch them at different times as we achieve sales, taking on construction obligations in accordance with the achieved sales.
- **End User** – although a great part of our purchasers are investors, our products are designed for end users, a demand segment that is more stable than investors.

The main guidelines of our strategy for 2013 are as follows:

- **Conveyance of units** – during the second and third quarter of 2013 100% of the remaining units of Forum Puerto Norte will be conveyed, and by the end of the year, will also be the units of the first tower of Forum Alcorta. Between 10 - 30% of the sales price is collected at the moment of conveyance of units in most sales. For this reason, from the cash flow point of view, at the moment of conveyance we recover part of the cash flow and, at the same time, expenses incurred on the completion of construction end.
- **Launchings** – the goal for 2013 is to recover the growth pace established in Initial Public Offering (IPO) business schedule. At that time, we planned to lunch USD 280 million in 2012, but as a consequence of the above mentioned circumstances, we only launched USD 48.1 million. A great part of the difference between those numbers (approximately 70%) is generated in projects that are ready to be launched. We think that we can launch them during 2013 so as to achieve USD 280 million on account of launchings, which will place us at the scheduled pace of growth planned at the IPO, one year later.
- **Land acquisition** – In order to carry out launchings, all that TGLT requires is to acquire land to develop 25,000 m2, approximately. We plan to acquire land by means of swap, which does not require cash application during 2013.
- **Offices** – even though we have developed office buildings as parts of mixed-use developments, we have decided to develop exclusively commercial buildings (commercial offices and establishments.) We think that the business opportunity arises from investors' unmet demand on this kind of real estate – particularly, institutional investors – from the development prospect of TGLT and from the presence of few developers focused on this segment. The strategy of TGLT in this market segment will apply some of the principles we pursue in the residential developments: privileged locations, scale projects, excellent design, construction quality and financing by means of capital markets. TGLT has acquired an option to develop its first 10,100 m2 office building on a consolidated area in Vicente Lopez, Province of Buenos Aires.
- **Metra**—during 2012 we have developerdMetra, our third line of residential products. Metra ranks below our Forum and Astor Projects, with not so many central locations, a more compact design and less construction costs. This line of business is also supported by a system of sales that allow to offer 10-year financing for buyers, without exposing TGLT capital or depending on the banking system. This plan resulted very successful in markets such as Cordoba - and Brazil in the past - and TGLT wants to be a leader in Buenos Aires and Rosario for this product, estimating the launching of projects in both markets for 2013.

- **Life Projects** – we have developed a marketing strategy that comprises all our products, based on the concept of "Life Projects." This idea, that is present in all of our communications, summarizes our development philosophy: to impact positively on our clients' lives with products designed for their different life projects.

4) TGLT looking to the future

As many companies from different industries that in 2012 faced circumstances that made development of their businesses more difficult in Argentina, we have analyzed the possibility of accelerating the geographic diversification. As we have accomplished the goal of reaching a market outside Buenos Aires (in Rosario) and then abroad (in Uruguay), we are considering the possibility of continuing exporting our ability to develop real estate projects to other South American markets, such as Peru and Colombia, which are markets were the real estate development is growing and consolidating. However, due to our scale and pace of growth, we think that the diversification of resources – financial and human – this would cause would not allow us to maintain the presence in the market that we have achieved in the last years. For this reason, we have decided that the best strategy is to strengthen our businesses in Argentina and Uruguay, growing only in those new segments that may offer opportunities of local financing, such as office developments and medium income segment with pre-existing savings.

Conclusion: 2012 was a very difficult year. 2013 is a year in which we will prioritize the consolidation of our company and caution. This strategy will give us an excellent competitive position in order to resume a greater growth next year.

Current market volatility in which we are working requires that we reevaluate and modify our course of action permanently. We always work with our focus on protecting our shareholders' capital and on maximizing its value.

Federico N. Weil
President

II. CORPORATE PROFILE

TGLT is a company dedicated to the development of residential real estate in the main urban centres in Argentina and Uruguay. TGLT was founded in 2005 by Federico Weil, and in 2007 associated to PDG Realty S.A. Empreendimentos e Participações (hereinafter "PDG"), one of the main real state developers in Latin America and currently majority shareholder of the Corporation. Being initially targeted at undertakings for high income segments of society, TGLT is gradually extending its product supply to medium-high and middle income segments.

TGLT is the leader developer in the Argentine residential market, and aims to be so in Uruguay. Currently, it is developing 8 projects in highly demanded urban centres in Argentina and Uruguay, which are at the stage of product design and obtaining approvals, pre-construction and construction, totalling about 570,000 sellable m2 and USD 1,400 millions of potencial sale value ("PSV").

TGLT controls and participates in every aspect of the development process, since the land acquisition to the management of construction, since the product design to marketing and commercialization, ensuring a strict control of the working capital at every stage. Together with the development of unique products for each segment and location, it standardizes processes for the production of new dwellings so as to reach a high rate of growth. To commercialize its products, TGLT is associated to well known brokers in each operating market and uses their sale forces.

The Company constantly search for and identifies land in markets where it either operates or intends to operate, and which fit its strategy. TGLT contemplates a fast turnover of the land bank, the Company attempts to launch the project or phases of the project within the first six months from the acquisition. TGLT does not intend to accumulate a land bank for a long term.

Our main values:

- *Quality and Service.* TGLT's commitment toward its clients is renewed on the bases of a constant effort to improve quality of life, by emphasizing not only the design, the innovation and durability of all of its products, but also its pre and post-sales attention and services associated with the acquisition of a property.
- *Innovation.* TGLT's commitment with investors is materialized through the constant search for best practices and innovation in the way the Company approaches its business: Proactive attitude allows for maximizing investors' returns, while a profound knowledge of the market and the business contributes to minimizing risks.
- *Sustainability.* TGLT's 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 partnership with PDG, the largest real estate company in Brazil, that currently owns 27 % of the share capital. For more information about PDG, see PDG's website www.pdg.com.br.

TGLT Business Model

TGLT is focused on the development of residential real estate undertakings in Argentina and Uruguay.

The business model of TGLT is based on their ability to identify the best plots of land and to build high-quality residential projects, supported by an excellent team of professionals, on the standardization of processes, on the support of sophisticated management tools that allow the Company to permanently launch new products and to operate a great number of projects simultaneously.

TGLT participates exclusively or substantially in the projects that it develops, and it is committed to each project and in line with shareholders' objectives.

TGLT's team controls and is part of every function performed in connection with real estate development, since the search and acquisition of lands, product design, marketing, sales, construction, purchase of supplies, post-sale services and financial planning, having the counselling of business firms specialized in each development stage. Although the decision and control of these functions are kept within the organization of TGLT, the performance of some tasks, such as architecture and construction, are delegated to specialized companies, which are thoroughly supervised by TGLT. This business model allows the company to ensure an excellent production for each location and segment, granting an efficient management of the working capital every time, and allowing them to choose the best partner for each development feature, keeping the size of the organization adaptable to the changes in the volume of business.

The business model of TGLT estimates a fast turnover of the land. Once the Company acquires a plot of land, it plans to launch the project or the stages of the project within a period of three to six months. By doing so, TGLT avoids immobilizing capital accumulating a land bank for the long term.

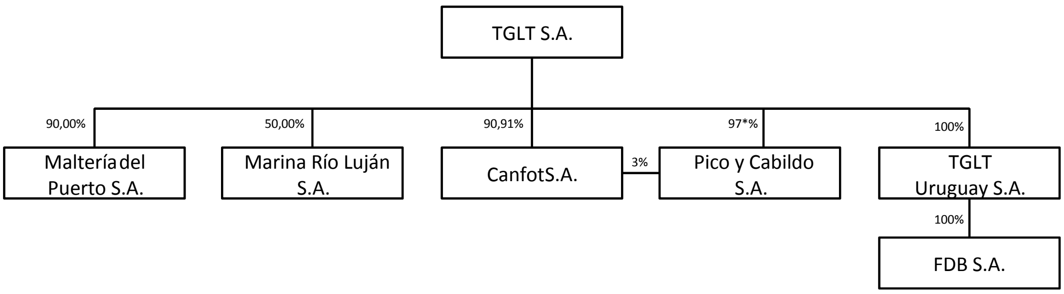
From 2013, TGLT will undertake a new line of business that consists in developing offices. These projects will be under a financial trust with public offering, in which TGLT will be a manager and a posible investor.

As a reference, the range of tasks and the strategy of TGLT at the different stages of project development is the following:

Stages	Vision	Land acquisition	Product design	Marketing and Sales	Construction	Post Construction
Functions	Market Analysis	Search for land	Market research and comparison	Marketing Strategy	Pre construction	Quality control
	Zoning strategies	Feasibility study	Draft	Sales strategy	Hiring strategy	Product adaptations
	Plot of land strategies	Bargaining and structure	Executive project	Sales operation	Bidding for construction	Customer services
Strategy	Risk management	To obtain the best land in each sub market	Design the best products for each category	To maximize the sale rate and the total income	To build with the best quality for each product category	To have a real satisfied client portfolio
	Great projects	To keep a price discipline	Value engineering from the beginning of the design process	Development of a portfolio of renowned and valued trademarks	Discipline and cost control	To take care of all clients' necessities regarding real estate purchase
	Large scale projects	To focus on big cities		Own sales platform	Development of long-term relations with suppliers	
	Unique locations	To consolidate a plot of land for 3-year development, minimizing capital fixing by means of exchanges.		To avoid conflicting channels		
				To avoid reversal of prices		

Company structure

The structure of the economic group TGLT (hereinafter "the Group") is showed in the following outline:



TGLT S.A. and Pico and Cabildo are undergoing consolidation, as of the date of this financial statements the Company has a 100% share.

The new Company is carrying out the development of its real estate projects by mean of TGLT S.A or its subsidiaries. Maltería del Puerto S.A. owns the land where Forum Puerto Norte is under development. Marina Río Luján S.A. owns the land where Venice project is under development. Canfot S.A. owns the land where Forum Alcorta project is under development. Pico and Cabildo S.A. is undergoing merging with TGLT and owns the land where the project Astor Núñez is under development. TGLT Uruguay S.A. is an investment company limited by shares in Uruguay, which is a holding company for our projects in said country. FDB S.A. is a business organization incorporated under the laws Montevideo, República Oriental del Uruguay, and is carrying out Forum Puerto del Buceo real estate project in the city of Montevideo, Uruguay. The remaining projects are directly carried out by TGLT S.A.

Shareholders

The issued share capital, subscribed for and paid up of the Company as at the date of this Annual Report, amounts to ARS 70,349,485. As at such date the share capital registered with the Registry of Business Organizations for the City of Buenos Aires (Inspección General de Justicia) amounts to 22,350,000 and is distributed as follows:

	Dec 31, 2012		Dec 31, 2011	
Shareholders	**Shares**	**Interest**	**Shares**	**Interest**
Federico Nicolás Weil	13.549.889	19 %	13.549.889	19 %
PDG Realty S.A. Empreendimentos e Participações	19.121.667	27 %	19.121.667	27 %
Holders of US certificates of deposit representing ordinary shares	14.550.435	21 %	17.548.905	25 %
Holders of Brazilian certificates of deposit representing ordinary shares	2.960.510	4 %	-	-
Other holders of ordinary shares	20.166.984	29 %	20.129.024	29 %
Total Share Capital	70.349.485	100 %	70.349.485	100 %

III. ECONOMIC CONTEXT

Note: *The statements that appear in this section are based on the opinions of a team of independent professional counselors on economic analysis.*

The international context

The growth of world economy continued (3.2%), although it was at a lower pace than in 211 (3.9%) due to the deceleration of one of the main emerging economy. Whereas the concerns for the level of public debt grew in developed countries, the recovery of American economy was sustained, while the Eurozone apparently closed the year having overcomed their fears to default or Euro breakdown.

The growth of world economy in 2012 characteristically advanced at two different speeds. Emerging economies were again outstanding (5.1%), and, although they grew at a lower pace , as compared with 2011, they boosted the world economy expansion. In turn, developed economies grew once more (1.3%), they were lead by the recovery of US (2.3%) and Japan (2.0%), which contrasted with the general European recession (-0.4%).

When it comes to the most relevant external factors that affect Argentina, the soybean prices strengthened (10%) during 2012. The Brazilian Real showed a marked depreciation, being above USD 2 most of the year, moved by the need of counteracting the fall of industrial activities. Finally, China grew about 7.8% during 2012, after the 9.3% registered in 2011, showing its deceleration.

Argentine Economy

2012 was undoubtedly a very difficult year for Argentine economy, as it was very close to economic stagnation (0.5%) after several years of significant growth. The sudden deceleration as compared with 2011 (6.5%) was due to a fall in investments, the industrial activity, and construction. Tax, currency and wage policies were expansive, however its effects are starting to have a greater impact on inflation than on real activity. The year was marked by the restrictions on the purchase of foreign currency and imports, and adversely affected the private activity.

When it comes to tax policy, Government had little room for manoeuvre, and the year was marked by “strong” repayments of debts to external creditors, which led to a slower pace of growth of public expenditure and to a higher level of currency issuance (35%) to finance it.

The contraction in consumption was seen in retail sales, shoppings and automotive industry, which were severely affected by the lack of expectations of businessmen and consumers and a decrease in job creation. Real salaries couldn’t improve, and wages were in line with inflation or just under the year inflation (25%), being under a higher tax pressure.

Interest rates that were triggered during the last quarter of 2011 markedly decreased during the first half of the year, and were again below the rate of inflation. The Badlar Rate (interest rate calculated by the Central Bank of Argentina) was about 16% by the end of the year, below the levels registered at the beginning of the year due to the expansion of the monetary base and the M2 money supply, which registered an annual increase of 37%, exceeding the 2011 increases (35% and 30% respectively.)

Furthermore, investments were the most adversely affected by currency exchange restrictions and the uncertainty among the business world. Investments showed a large contraction (-6.5%), which was opposed to the levels observed in 2011 (13.5%). The fall in construction as well as in equipment was dramatic, both worsening their share of the GDP, which had been record on the previous year.

Fiscal accounts were negative by the end of 2012, with a primary deficit about amounting to 0.3% of GDP and a fiscal deficit amounting to about 2.4% of GDP. Although the Argentine government received resources from the Central Bank of Argentina and the National Administration of the Social Security (ANSES), fiscal accounts were severely affected by the deceleration of tax revenues. Nevertheless, the fiscal solvency is favoured by a "net" government debt (excluding the holdings of government debt of the public sector itself) which is maintained in very low levels (18% of the GDP) and with a downward trend.

With regard to the external sector, the commercial surplus amounted to USD 12,900 millions, showing a 25% improvement as compared to 2011 (USD 10,350 million.) The improved balance was due to a significant decrease in imports, as a consequence of the restrictions imposed by the government to ensure the availability of foreign currency during a year in which the foreign debt has several due dates. The restrictions also aimed at offsetting the decrease of exports, such decrease was more significant in the agricultural sector, due to bad weather conditions. The crop yield for the year was of 88 million tons, below the record crop yield in 2011 of 101 tons.

Together with the restrictions imposed on imports, the exchange restrictions that aimed at improving the income of the capital account were also tightened. In November 2011, the Government decided to apply a restriction on the purchase of dollars by the private sector. At the beginning the amount of foreign currency at the official exchange rate that private parties and companies could buy was limited, and during 2012, such measures tightened until the legal purchase of foreign currency was almost forbidden, except for those activities related to the import and export of goods and services. Currently, the purchase of foreign currencies for the purposes of dividend distribution, saving money or traveling abroad must be paid at a non-official exchange rate, 50% above the official exchange rate, and only by means of transactions in the black market or by means of the purchase of government bonds denominated in dollars, which implicitly reflect the price of the foreign currency in the black market.

The tightening of exchange restrictions affected the Argentine economy in several ways. Dividend distribution outside Argentina and the purchase of foreign financial assets decreased dramatically, and, at the same time, the local money supply (M2) increased its share of GDP to a record of 19.2% The level of uncertainty adversely affected the investments, and triggered a run on the bank's deposits in dollars, which showed a 50% decrease in relation to the maximum at the end of 2011. In line with this dramatic decrease of this source of funding in foreign currency, banks stopped lines of credit in dollars, which showed a proportional decrease.

From a political point of view, 2012 was marked by a decrease in the levels of popularity of President Cristina Fernandez de Kirchner, who was reelected by 54% of votes, the greatest percentage of votes obtained by an elected president since the return of democracy in 1983. The Trust in Government Index (measured by Torcuato Di Tella University, UTDT) decreased in 37% during the first year of office, whereas the president's positive image is below 40%, according to different surveys. The main reasons for people's disappointment arose out of the perception of confrontational attitudes on the part of the Government; the conflicts with international organizations, the media and the judiciary in connection with the application of the Media Law; the conflicts with the trade unions due to tax pressure on workers, and the restrictions on the purchase of dollars.

Construction industry

After 2011, a prosperous year in which building activity reached its historical maximum, 2012 was an extremely hard year, with decreases in activities at all levels. The sector as a whole showed the greatest contraction in ten years, with a fall in activity of 3.2%, according to official estimates.

The dramatic reversal of this industry cycle can be explained by the exchange restrictions applied in November 2011, which became stricter as from May, 2012. In the first stage there was a limit on the total amount of foreign currency people could purchase for purposes other than import of goods and services, and then the purchase of foreign currency was completely restricted. Around July, the exchange of foreign currency for the purchase of real estate with mortgaged loans was forbidden.

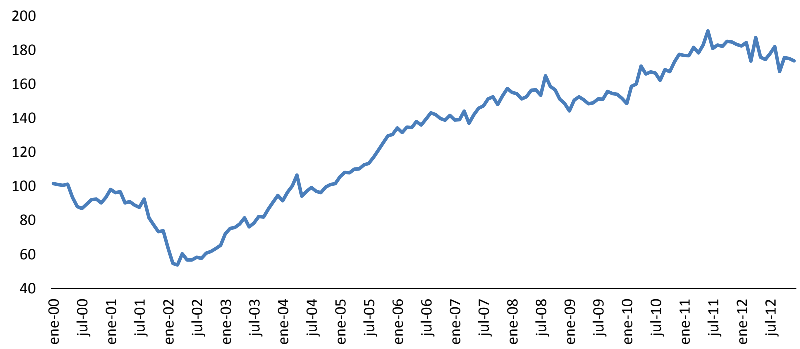
Given the fact that historically, in our country, transactions for the purchase of real estate were always denominated in dollars, the purchasers' impossibility to obtain said currency together with the sellers' refusal to transact in the legal tender adversely affected the transactions on used properties. The inflationary process Argentina is going through causes the value in pesos to be systematically updated along the purchase negotiations and imposes considerable potential costs over the agent receiving the payments, as the money will systematically depreciate in time.

The sector of used real estate has been directly affected, as sellers are usually families (and not companies) who are unwilling to go through the different inconveniences of conducting a transaction that cannot be denominated in dollars. On the other hand, the impact among developers of new real estate was limited, given the fact that companies demonstrated that they do not need to transact in dollars to complete their business cycle, as most of their supplies are denominated in the legal tender. However, they suffered indirectly by the slackening of the market of used real estate, as the sales aiming at the renovation of real estate decreased, thus restricting sales only to those associated with the allocation of exceeding funds.

The crisis in the sector was observed in all indicators of the activity. To begin with, the area authorized to carry out private works during 2012 decreased in a 9.3 % as compared with a grewth of 3.3% in 2011 (in comparison with the previous year).

In turn, the Construction Activity Indicator (Indicador Sintético de la Actividad de la Construcción) closed the year showing a decrease from year to year of 4.0% (deseasonalized series) and showed its first set back since the world crises 2008-09.

Construction Activity Indicator



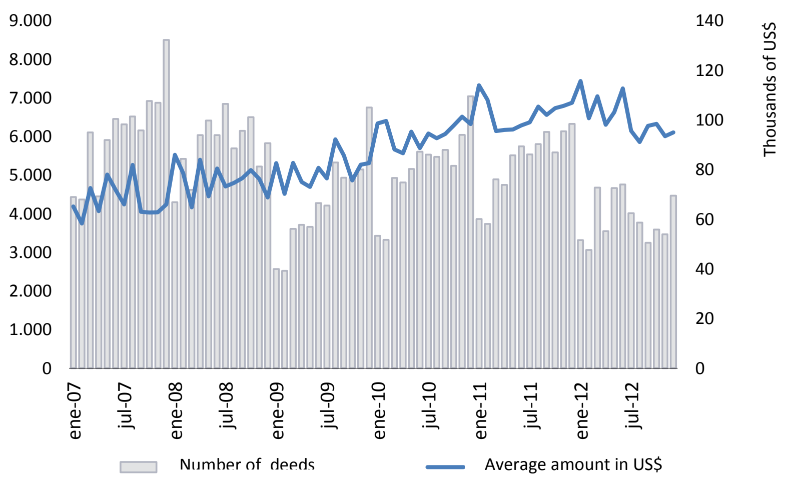
Source: INDEC (National Institute for Statistics and Census), last information December 2012

Basis: 2004 = 100

The decrease in construction during 2012 affected the main supplies for the works, the employment in the sector and the main construction companies, among others. Year to year decreases in supplies included floors and coatings (26%), asphalt (22%), cement (15%), hollow bricks (9%), round iron bars (6%) and paints (2%). On the contrary, formal employment in the area of construction showed a yearly decrease of 3.5% in the third quarter of the year, and its third quarterly decrease in a row since the record of 438,500 job posts recorded at the end of 2011.

The commercial activity was the most adversely affected by exchange restrictions, showing 25% to 45% decreases from year to year in the Notarization of deeds of conveyance throughout the country. In fact, there was a 29% decrease in the number of deeds of conveyance of real estate in the City of Buenos Aires at the closing of the year, the worst closing since December, 2008. The average amount per transaction in dollars showed average decreases around 10% in the second half of the year (measured according to non-official dollar the decrease of average amounts was higher), which showed that prices were also adjusted as a consequence of market retraction.

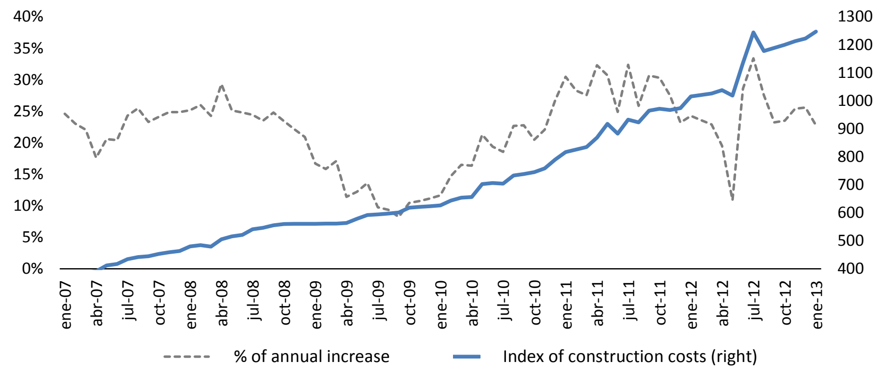
Number of norarizations of deeds of conveyance and avarage amounts per transaction



Source: Colegio de Escribanos de la Ciudad de Buenos Aires (Association of Notaries Public of the City of Buenos Aires)

Finally the costs of construction (CAC) were closed in 2012 with a year to year increase of 25.6%, in line with the increase of consumer prices. Such increase was above the increase of the previous year (23.2%), and, similarly to the previous years, it was explained by an increase in the costs of labor (31.1%), other than an increase in the costs of materials (19.7%).

Construction Costs Index by Cámara Argentina de la Construcción (Argentine Chamber of Construction)



Source: Argentine Chamber of Construction
Basis: December 2001 = 100

Macroeconomical Projections for 2013

Looking to 2013, the main fears related to the American recover and the European crisis were dissipated. The continual creation of job positions and the rise of the prices in American Real Estate seem to confirm that the worst is behind, and their economy will continue growing (2.0%) during this year. In Europe, despite the fact that the macroeconomic fundamentals did not change, and that there are still problems regarding fiscal deficit and balance of payments of several members of Euro, the European Central Bank has demonstrated to be willing to issue what is necessary to rescue banks and countries in trouble. However, again, developed country will scarcely contribute to the world growth, which will be dominated by emergent countries (5.5%). A higher growth of the world economy is expected (3.5%) as compared to the year 2012 (3.2%).

Agricultural commodities prices will be –in average- slightly inferior to those in effect during 2012, but they will go on boosting the growth of commodity exporting countries. With regard to the price of soybeans, we expect a fall between 5 and 10% as a consequence of greater crop yield volumes worldwide.

Meanwhile, Brazil is expected to raise its speed of growth, helped by the impulse of investments for the sporting events in the years to come, with an expected growth rate of GDP of 3.3%. Chinese economy will also show a slight acceleration, with a growth around 8.2% during 2013.

In this context, Argentine economy will show a moderate acceleration of its growth rate with regard to the relative stagnation in 2012, but below the rates of the previous years. There will be a 2.8% yearly growth, which will be boosted and impulsed by the agricultural sector. The construction sector will probably be boosted by those activities related to public works, such as road construction projects and infrastructure, and, to a lesser extent, by private works in mid-high and high socioeconomic segments. Regarding 2013, the investment will reverse the recession of the last year, with an expansion of 5.0%, superior to GDP, but again in more moderate values than those observed in 2011.

The agricultural crop yield in 2013 will grow again thanks to better weather conditions, with possibilities to equal or exceed the record of 101 million tons in 2011. At those levels, exports may reach USD 88 million, being 9 % above 2012 and 5% better than 2011.

Inflation is likely to climb a step higher, with a year to year variation between 25 and 30%. Even though in 2013 the economic growth would be moderate, and wage agreements would ratify nominal increases in wages below 25%, the adjustments applied to public services together with the partial elimination of subsidies, the greater nominal devaluation of Argentine peso (20%) and the growing levels of currency issuance will exert a considerable pressure on prices.

In this sense, the wage guidelines negotiated during the first semester of this year, and the agreements on the workers' income tax will play a descicive role in the course of inflation during the rest of the year, the same as the direction that growth will follow afterwards with regard to currency aggregates and National Government's public expenses in an election year. Anyway, in this context a devaluation rate greater than the devaluation rate of previous years and the official nominal exchange rate being around 6.0 pesos per dollar towards the end of 2013 are expected, continuing the real appreciation of currency direction. The existence of a dual exchange system (the coexistence of both, a formal and an informal exchange rate) is not expected to change, the informal exchange system will continue, and the gap between the informal and the formal exchange rate will continue to be about 50%. The informal value of dollar is expected to reach 9.0 pesos by the end of the year. On the other hand, domestic exchange rates, which currently are stable around 16%, will possibly be adjusted during the year in line with the acceleration of inflation, and will be around 19%.

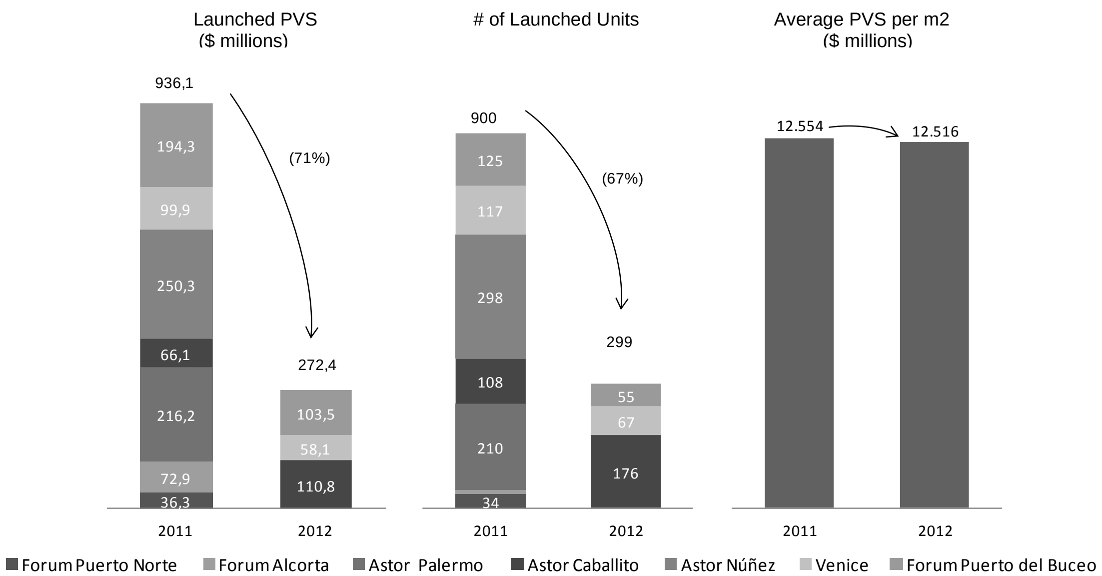
To conclude, we do not expect substancial changes in the result of fiscal accounts, we just expect a slight worsening of the primary result, which will show a deficit around one point of GDP, and at the same time the fiscal deficit will be unchaged (2.2% of the GDP). Both, expendiures and income will show a growth of about 34%, a bit higher than 2012, recovering the speed in comparison with the last observations during last years, together with the reactivation of economy. In this context, net financial needs will be about USD 14,000 millions for the whole 2013, a bit higher than 2012, which presumably will not be directly financed by using the reserves of the Argentine Central Bank (BCRA), as the surplus reserves are depleted. Net financial needs will be financed by means of a set of instruments, such as transitory advances for payments in foreign currency by the BCRA, issuance to public organizations, discount bonds denominated in dollars, acquired by ANSES, and placed abroad later, multilateral organizations, etc. On the other hand, the commercial surplus will be relatively stable, as it will just decrease from USD 12,700 millions in 2012 to USD 12,000 million in 2013.

In summary, during 2013 we must expect a moderate economic growth, a slightly higher level of inflation as compared with 2012, and fiscal and external accounts relatively stable around the values of 2012, eg. a commercial surplus and current account, with moderate primary and fiscal deficits. We do not expect great changes with regard to the management of currency and exchange policies, even though they have become very sensitive issues to the level of inflation in the economy. The financial stability will not be threatened during 2013. The main risks of the economy are related to the political comfrontation between the Government and different sectors (trade unions, businessmen, agricultural producers, the Judiciary and the media) and the international price level for commdities and the crop yield of the agricultural sector.

IV. OPERATING PROFILE

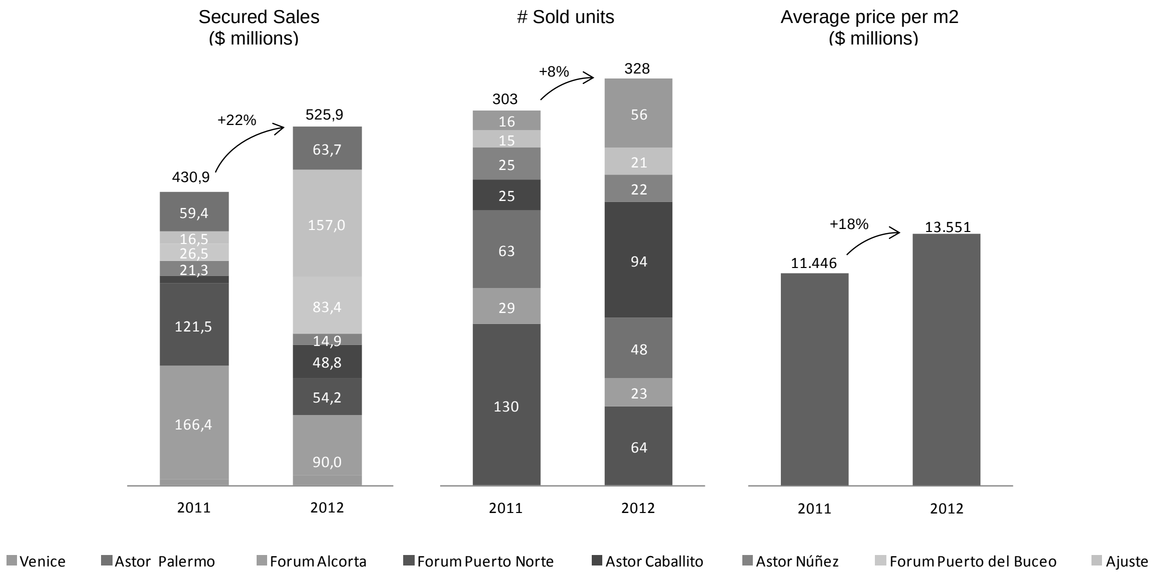
Launches

Total launches in 2012 were $ 272.4 million in Potential Sale Values (PSV). The amount of launches was significantly reduced as compared with the original set goals, as a consequence of the worsening of macroeconomic conditions in Argentina, which forced TGLT to adopt a more conservative strategy in the short term, focused in supporting the projects that are being developed. Launches for the year included tower 2 of “Astor Caballito” (ARS 110.8M), the second phase of “Forum Puerto del Buceo” (103.5M), and Torre Mirador 2 of “Venice” ($58.1M). The average PSV per m2 continues to decrese, as long as we go on with our strategy to diversify towards lower income sectors.



Contracted sales

In spite of the adverse macroeconomic context, during the year, the contracted sales totaled $526 million, staying, net of inflation, at the same level as the previous year and distributed in all of our active projects. A total of 328 units were sold, with an 8% increase as compared with the previous year, and with an average ticket that, net of inflation, will go on decreasing as long as our projects for low income segments become more preponderant.



The activities performed during the fiscal year 2012 related to the real estate undertakings developed by the Company are described below.

Forum Puerto Norte

In 2012 we delivered the units of buildings TWO, THREE and NINE, and the first units of building TEN started to be delivered. The remaining buildings will be finished during 201 3 and units will be delivered throughout the year. Given the advanced degree of the project, the showroom was dismantled. The parking, the multi-purpose room and the gym are finished.

We are making progress in the performance of the unfinished buildings and common areas, with approximately 400 workers in the premises.

As to December 2012, 431 units and 78 boat storage shelters had been sold totaling 49,000 m2 (94% of the undertaking total sellable area) for an amount of ARS 398.6 million or 92% of the potential commercialization value.

Forum Puerto Norte is an undertaking performed by means of the subsidiary Maltería del Puerto S.A.

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Forum Alcorta

Construction of towers ONE and TWO continues at full speed. We have completed 35 % of the total physical work. Concrete and masonry of Tower ONE have been completed, and they are up to the 23rd floor in Tower TWO, simultaneously with the progress of installations, plaster and painting, and other final works. The curtain wall of Tower ONE is up to the 5th floor.

The building BARRA has been designed with a mixture of houses and apartments, aiming at meeting the public demand, whereas the showroom, which was located in this building to be recycled, has been relocated in the corner of streets Ramsay and Juramento to go on with the works.

Tower ONE is expected to be delivered between the end of 2013 and the beginning of 2014, and Tower TWO and BARRA are expected to be delivered on the second quarter of 2014.

As of December 31, 2012, 103 units were sold, totalling 28,150 m2 (70% of the total area for sale of the undertaking) and the amount of $ 459 million or 57% of the potential sale values.

"Forum Alcorta" is an undertaking performed by means of the subsidiary Canfot S.A.

Astor Palermo

At the beginning of the second quarter of 2012, the Court of Appeals on Administrative and Tax Matters in and for the City of Buenos Aires reversed the Trial Court's decision entered in the case "Asociación Amigos Alto Palermo c/ GCBA s/ Amparo

- otros procesos incidentales" Court Record No. 41,544/1 and ordered to lift the preliminary injunction that was ordered from time to time, which suspended the building works of a multifamily housing and commercial garage in the premises located at Beruti 3351/59 in the City of Buenos Aires.

Immediately after the lift of the injunction, the construction was resumed. The construction made great progress, the excavations and sub walls are finished and the concrete and sub floors are in progress. On the other hand, the incredible project speed of sales allowed us to reach record prices and increase our margins, with prices that are comparable to those Buenos Aires premium projects.

As of December 31, 2012, 149 units were sold, totalling 10,446 m2 (71% of the total area for sale of the undertaking) and the amount of $ 201.8 million or 61% of the potential sale values.

Astor Núñez

We have initiated pre construction works and we are obtaining approvals. The architecture file has been approved by the Commission of Urban Planning and it has been registered with the Direction of Building Works and Land Registry. This allowed the commencement of the works as from March 2013, whereas the contract with the firm responsible for the management and direction of the works has been entered into. The commercial launch of the project, supported by an on-site showroom, is estimated for the first quarter of 2013, the same as the commencement of construction works.

The architecture Project was performed by the firm Mario Roberto Alvarez y Asociados.

As of December 31, 2012, 47 units were sold, totalling 3,483 m2 (17% of the total area for sale of the undertaking) and the amount of $ 40.3 million or 15% of the potential sale values.

Astor Nuñez is an undertaking performed by means of the subsidiary Pico y Cabildo S.A.

Astor Caballito

On September 11th, 2012, Room I of the Court of Appeals on Administrative and Tax Matters in and for the City of Buenos Aires, granted a preliminary injunction that freezed the construction works of Astor Caballito on the premises owned by TGLT on Rojas Street in the City of Buenos Aires. We believe that the suit has no merits, given that the project has received all required approvals from Buenos Aires Government. TGLT is working with its legal counsel to obtain a lift of the injunction and resume construction works as soon as practicable.

As of December 31, 2012, 119 units were sold, totalling 7,135 m2 (23% of the total area for sale of the undertaking) and the amount of $ 74.7 million or 20% of the potential sale values.

Venice

At the end of May, preliminary technical validation was obtained. Afterwards, on September 14th, the project together with the pertinent environmental impact study, was approved in a Public Hearing next to the Municipality of Tigre. Consequently, by the end of October, Venice project was launced to the public, with an aggressive marketing and advertising campaign and a lot of commercial events. To back this commercial campaign we opened in the Venice site, a unique showroom ever in Argentina, due to its design, size and connection with the environment. During 2013, several stages will be launches, including the commercialization of certain building by means of a schedule of cooperative financing.

As of December 31, 2012, 72 units and 2 boat storage shelters were sold, totalling 4,552 m2 (2% of the total area for sale of the undertaking) and the amount of $ 50.0 million or 2% of the potential sale values.

Venice is an undertaking performed by means of the subsidiary Marina Río Luján S.A.. 50% of Marina Río Luján S.A. share capital belongs to TGLT.

Forum Puerto del Buceo

On mid November we launched the project commercially, with the inauguration of the showroom and a great attendance of public. This was a milestone that marked the beginning of the new expansion strategy of TGLT aiming at reaching foreing markets, and it was coupled with a high performance launching event, in which the label of TGLT was introduced to the Uruguayan market. Commercialization of the project in Argentina will begin soon, due to interest of Argentinian investors in the Uruguayan market.

Currently, the Project is in the process of obtaining approvals from the Municipality of Montevideo. Having obtained an advanced permission to begin the work, the project was filed with Banco Previsión Social (BPS) and excavation works began.

Due to the demand of our customers, we are planning to launch the third and last stage of the project during the first semester of 2013.

As of December 31, 2012, 72 units were sold, totalling 9,596 m2 (20% of the total area for sale of the undertaking) and the amount of $ 24.1 million or 16% of the potential sale values.

FACA

The project is in the process of obtaining approvals. Whereas the architects and counsellors are working on the documentation for the first blocks of the projects, a new city ordinance that will govern the Masterplan has been fully drafted. Such city ordinance has already been submitted for approval before the City Council of Rosario.

As a consequence of today's economic context, we have redefined the commercial strategy, giving more importance to the launch of our first project under the schedule of cooperative financing, as we understand it fits better to the current demand. This project, which is called Metra Puerto Norte and will be launched during the first semestre 2013, will be included in the master plan designed by the renowned architecture firm Foster + Partners (England).

The total undertaking has a sellable area of approximately 132,000 m2, totalling approximately $ 1.8 billion, and we expect to launch the first phase during the second quarter of 2013, together with the opening of the showroom. The buildings located in areas that are far from the river will be developed under a schedule of cooperative financing.

Summary of our projects

The table below summarizes the general characteristics and current state of the Company real state undertakings:

Project	**Forum Puerto Norte**	**Forum Alcorta**	**Astor Palermo**	**Astor Núñez**	**Astor Caballito**	**Venice** (1)	**Forum Puerto del Buceo**	**Project FACA**
Location	Rosario, Santa Fe	Bajo Belgrano, City of Buenos Aires	Palermo, City of Buenos Aires	Nuñez, City of Buenos Aires	Caballito, 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	Multifamily	Multifamily	Multifamily	Urbanization	Urban Complex	Urban Complex
Features	Coastal	Park	Urban	Urban	Urban	Coastal	Coastal	Coastal
Year of Acquisition	2008	2008	2010	2011	2011	2007	2011	2011
Plot of land (m2)	43.000	13.000	3.208	4.759	9.766	320.000	10.765	84.000
Area for sale (m2)	52.186	40.064	14.765	20.377	31.114	Single family plots of land: approx. Dwellings and commercial uses approx. 208.600	approx. 48.654	approx. 132.000
Units for sale	453	157	210	298	500	Single family plots of land: approx. 24 Dwellings and commercial uses: approx. 2.580	307	Aprox. 1.800
Other units for sale	Garages: Boat shelters: 82	Garages: 400	Residential garages: 204 Commercial garages 171	Garages: 300	Residential garages: 502	Garages: approx. 2.969 Boat parks and marinas: approx. 182	370	Garages: approx. 2.080
Total estimated PSV (millions of ARS)	431,3	805,0	333,2	274,4	366,2	approx. 3.121,2	USD153,2	1.794,0
Total estimated PSV (millions of ARS)	431,3	805,0	333,2	274,4	198,4	407,3	USD71,3	-
Area sold as at 31.12.12 (m2)	49.089	28.150	10.446	3.483	7.135	4.552	9.596	-
% of the total	*94%*	*70%*	*71%*	*17%*	*23%*	*2%*	*20%*	-

Project	Forum Puerto Norte	Forum Alcorta	Astor Palermo	Astor Núñez	Astor Caballito	Venice (1)	Forum Puerto del Buceo	Project FACA
Units sold as at 31.12.12	431	103	149	47	119	72	72	-
Otras unidades vendidas al 31/12/12	Garages: 514 Parks: 78	Garages: 205	Residential garages: 125 Commercial garages 171	Residential garages: 34 Commercial garages 20	Garages: 88	Garages: 65 Boat parks and marinas: 2	Garages: 91	-
Secured sales as at 31.12.12 (millions of ARS)	398,6	459,1	201,8	40,3	74,7	50,0	USD24,1	-
% of the total	*92%*	*57%*	*61%*	*15%*	*20%*	*2%*	*16%*	-
Secured sales during 2012 (millions of ARS)	90,9	132,9	110,2	19,6	63,7	33,2	USD18,7	-
Building progress as at 31.12.12 (monetary budget execution)	91%	55%	41%	-	20%	-	-	-
Stage	Construction	Construction	Construction	Product Design and Obtention of Approvals	Construction	Product Design and Obtention of Approvals	Product Design and Obtention of Approvals	Product Design and Obtention of Approvals

(1) The figures correspond to 100% of the project TGLT presents the accounting information related to Venice proportionately consolidated at 50%.

V. OTHER RELEVANT TRANSACTIONS

Property in Montevideo, Uruguay

On January 5, 2012, a wholly-owned subsidiary of the TGLT, FDB S.A. (called Miwok S.A. in the past), a company organized under the laws of the Oriental Republic of Uruguay ("FDB"), closed the purchase agreement by granting the corresponding deed of conveyance on the plot of land with its buildings and annexes located at the Department of Montevideo, Land Registry District of Montevideo, urban area, which has a surface of ten thousand eight hundred and fifty two square metres. There, the project "Forum Puerto del Buceo" will be carried out (the "Premises").

Miwok has agreed to pay the following amounts in consideration: (i) the amount of USD 600,000 (six hundred thousand United States Dollars) at the time of granting the Deed of Conveyance; (ii) on March 31, 2012, the amount of USD 5,400,000 (five million and four hundred thousand United States Dollars) and on March 31, 2013 the amount of USD 6,000,000 (six millions of United States Dollars) (the term for the payment of this last amount are being renegotiated); and (iii) the remaining balance, that is, the amount of USD 12,000,000 (twelve million United State Dollars) will be paid by means of the conveyance of future units of the condominium of the project "Forum Puerto del Buceo" that, jointly have an area of five thousand eight hundred and fourty five (5,845) square metres, comprising the common property to be used exclusively by those units and fifty-four (54) garages that Miwok will build on the Premises. As collateral for the liabilities incurred due to the purchase agreement, Miwok has drawn a first degree mortgage on the Premises in favour of the sellers. Additionally, TGLT has posted a joint and several bond in favour of the sellers as a collateral for the liabilities taken on by Miwok under the sales agreement and the mortgage.

As of March 31, 2012, TGLT has discharged the payment of USD 5,400,000 (five million four hundered thousand United States dollars)

Premises of project "FACA" in Puerto Norte, Rosario

On March 15, 2011 the Company had entered into a Memorandum of Understanding with Servicios Portuarios S.A. ("SP) under which TGLT (or a subsidiary controlled by TGLT) wanted to purchase a plot of land on the premises located in the City of Rosario, Province of Santa Fe, designated by the Municipality of Rosario as Unidad de Gestión No. 1 del Plan Especial 2 Fase del Centro de Renovación Urbana Scalabrini Ortiz, bounded by the plot of land in which the undertaking"Forum Puerto Norte", which belongs to Maltería del Puerto S.A., a subsidiary of the Company, is carried out (the "Premises").

Under the Memorandum of Understanding the parties agreed to bargain on good faith the definite terms and conditions of the contract(s), agreement(s) or document(s) that will set forth the rights and liabilities of the parties for the joint development of a real estate project in the Premises.

The parties are at the final stage of the bargaining process for signing the definite contracts and documents regarding to the conveyance of said premises.

The total surface area of the Premises is approximately 84,000 m², resulting from a Total Occupation Factor (TOF) of 117,000 m2 in a sellable and/or marketable area estimated in 132,000 m² m2 plus 2000 garages. TGLT S.A. (or a controlled subsidiary thereof) will acquire the Premises, where the Company will erect several premium-quality buildings that will include, among others, apartments, commercial establishments, cellars, garages, piers, marinas, etc., with a PSV of approximately USD 320 million.

The purchasing price will total USD 28,000,000 (twenty eight million of United States Dollars). Furthermore, the Company will offset the amounts paid by SP for the works on Luis Candido Carballo Avenue, totaling the amount of $ 8,408,700.90 (eight million four hundred and eight thousand and seven hundred with 90 cents Argentine Pesos) plus the Added Value Tax.

I. STATISTIC INFORMATION

Information regarding the change in the number of the Company's employees:

	Dec 31, 2012	Dec 31, 2011
Employees	75	53

ANNUAL REPORT AND OVERVIEW

FOR THE YEAR ENDED ON DECEMBER 31, 2012

Information concerning changes on sales and advance payments:

	Project							
	Forum Puerto Norte	**Forum Alcorta**	**Astor Palermo**	**Astor Núñez**	**Astor Caballito**	**Venice (1)**	**Forum Puerto del Buceo**	**Total**
Units Sold								
During the quarter ended 31.12.12	24	9	4	2	-	4	15	58
During the quarter ended 31.12.12	14	5	3	2	-	15	16	55
During the year ended 31.12.12	64	23	48	22	94	21	56	328
During the year ended 31.12.11	130	29	63	25	25	15	16	303
Accumulated as at 31.12.12	509	103	149	47	119	36	72	1.035
Contracted sales (*)								
Sales for the period								
During the quarter ended 31.12.12	29.844.483	40.762.272	8.606.259	1.942.207	-	3.318.756	32.474.130	116.948.106
During the year ended 31.12.12	54.202.988	90.036.926	63.669.639	14.895.587	48.817.416	13.865.833	83.371.162	368.859.550
Adjustments of sales on previous periods (**)								
During the quarter ended 31.12.12	2.777.846	18.915.233	3.077.941	1.850.129	11.313.691	1.598.965	3.860.199	43.394.004
During the year ended 31.12.12	36.677.638	42.879.083	46.513.418	4.745.075	14.902.918	2.747.176	8.547.343	157.012.652
Total sales								
During the quarter ended 31.12.12	32.622.329	59.677.505	11.684.200	3.792.336	11.313.691	4.917.721	36.334.329	160.342.110
During the quarter ended 31.12.12	22.253.980	42.945.884	4.665.708	1.891.034	372.741	8.372.477	26.458.154	106.959.978
During the year ended 31.12.12	90.880.626	132.916.009	110.183.057	19.640.661	63.720.334	16.613.009	91.918.506	525.872.202
During the year ended 31.12.11	127.516.361	174.781.420	61.548.160	21.270.616	10.942.558	8.372.477	26.458.154	430.889.746
Accumulated as at 31.12.12	398.599.451	459.146.828	201.756.804	40.285.027	74.662.892	24.985.486	118.376.659	1.317.813.148
Advanced Payments of clients (*)								
During the quarter ended 31.12.12	46.336.106	44.750.302	14.207.050	2.616.119	2.205.092	3.979.890	65.276.725	179.371.284
During the quarter ended 31.12.12	41.605.193	21.392.315	1.038.126	1.469.267	159.662	2.080.824	150.640	67.896.027
During the year ended 31.12.12	55.334.260	162.735.522	81.251.902	23.312.671	43.913.337	10.974.337	116.293.870	493.815.899

	Project							
	Forum Puerto Norte	Forum Alcorta	Astor Palermo	Astor Núñez	Astor Caballito	Venice (1)	Forum Puerto del Buceo	Total
During the year ended 31.12.11	120.193.264	79.372.736	15.023.505	8.331.748	10.942.578	2.080.824	150.640	236.095.295
Accumulated as at 31.12.12	286.986.934	326.090.527	131.093.205	31.644.419	54.855.915	13.055.161	116.444.510	960.170.671

(1) The figures amount to a 50% of the project due to the fact that TGLT presents such information consolidated in proportion to its participation.

(*) Amounts denominated in Argentine Pesos net after Value-added tax.

(**) Correspond to adjustments related to variations in the exchange rate and the CAC (Argentine Chamber of Construction) Index for which certain purchase agreements celebrated in previous periods are adjusted, such as other adjustments on contracted sales in previous periods.

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II. CONSIDERATION OF THE MAIN INDICATORS OF INCOME

Gross profit per PoC

Under IFRS, the Company recognizes revenue –and its corresponding COGS- only when sold units are delivered. As a result, the Company does not recognize revenues for inventories revaluation at their net realization value (NRV) by means of which the gross profit of each building was recognized during the construction, in accordance of the Percentage of Completion Method ("PoC").

In order to continue to provide information that is relevant to investor, and to offer continuity to the figures presented in he past, TGLT presents PoC Revenue and PoC COGS, on a pro forma basis, facilitating comparison with other companies of the sector that do recognize revenues under the PoC methodology.

PoC gross margin for 2012 was (18.4%). The negative results is completely originated in FPN as a result of the following factors: i) the bankruptcy of an important contractor (IGM), whose works were seriously delayed as they had to be resumed by another supplier, therefore postponing the dates of delivery expected, thus increasing our costs; ii) unexpected costs related to the recycling of old buildings inside the project and others; iii) delays in the construction as a consequence of a speed of sale slower than the anticipated, with the corresponding increase in the costs derived from inflation, and the fix costs associated with a longer stay of contractors in the premises.

As it was already mentioned, the gross profit PoC in each of our projects is calculated per building. In this way, in projects with multiple phases, the first buildings to be launched are expected to have a lower expected margin than those launched afterwards. Consequently, the NRV margin related to the projects divided in stages is expected to grow with time, as subsequent buildings are launched. As to December 31, 2012, Forum Puerto Norte, Forum Alcorta and Astor Caballito are considered projects by stages.

GROSS PROFIT PoC	**2012**	**2011**	**Var %**
Revenue PoC	**308,6**	**311,6**	**(1%)**
Forum Puerto Norte	91,1	185,7	
Forum Alcorta	121,9	122,9	
Astor Caballito	13,4	2,9	
Astor Palermo	82,1	-	
COGS PoC	**(327,0)**	**(247,6)**	**(32%)**
Forum Puerto Norte	(151,9)	(156,5)	
Forum Alcorta	(94,3)	(88,7)	
Astor Caballito	(12,2)	(2,4)	
Astor Palermo	(68,6)	-	
Gross profit PoC	**(18,4)**	**63,9**	**(129%)**
PoC Gross Profit / PoC revenue	**(6%)**	***21%***	***5%***

EBITDA

As explained above, given the fact that most projects of TGLT S.A. are in the stage of construction, the profit reported under IFRS does not provide a good indicator of the Company profitability and of its projects. Therefore, EBITDA does not reflect the Company profitability or that of the ongoing projects due to the fact that, even though all of the Company administrative and marketing expenses incurred in the period for the development of projects are included, they are not yet reflected in the accounting of the profit of purchase agreements related to the units under construction but not yet delivered.

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EBITDA – TGLT grupo	Dec 31, 2012	Dec 31,2011
Operating income	**(159,5)**	**(35,6)**
(+) Cost for greater value of inventory	16,3	4,6
(+) Goodwill impairment	32,1	6,0
(+) Depreciation of inventory and intangible assets	2,1	3,4
EBITDA	**(109,0)**	**(21,6)**
EBITDA Margin on PoC sales revenues	*(35,3%)*	*(6,9%)*

III. MAIN INDICATORS, RATIOS OR RATES:

INDIVIDUAL TGLT

Rate	Formula	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Liquidity	Current Assets / Current Liabilityes	1,24	1,81	6,54
Creditworthness	(Shareolders' equito + Third parties' interest in controlled Companies) / Liabilities	1,02	2,83	13,2
Fixed capital	Non current assets / Total Assets	0,47	0,53	0,54
Profitability	Net results for the year / **Average Shareholders' equity**	(0,37)	(0,09)	n.d.

TGLT GROUP

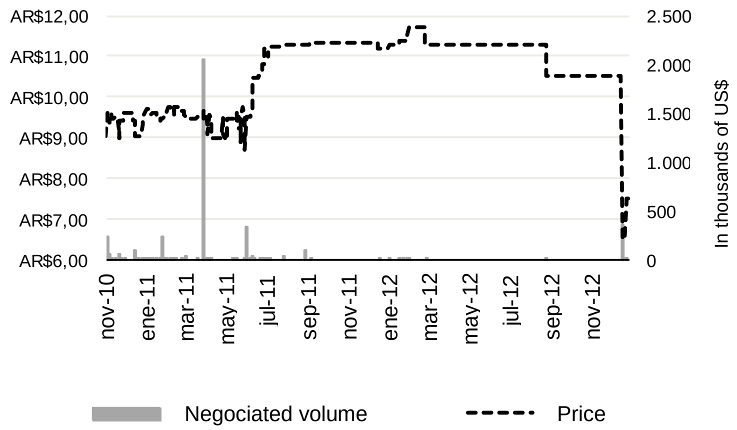
Rate	Formula	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Liquidity	Current Assets / Current Liabilityes	1,16	1,64	2,75
Creditworthness	(Shareolders' equito + Third parties' interest in controlled Companies) / Liabilities	0,25	0,64	1,59
Fixed capital	Non current assets / Total Assets	0,14	0,16	0,18
Profitability	Net results for the year / **Average Shareholders' equity**	(0,39)	(0,08)	n.d.

CAPITAL MARKET

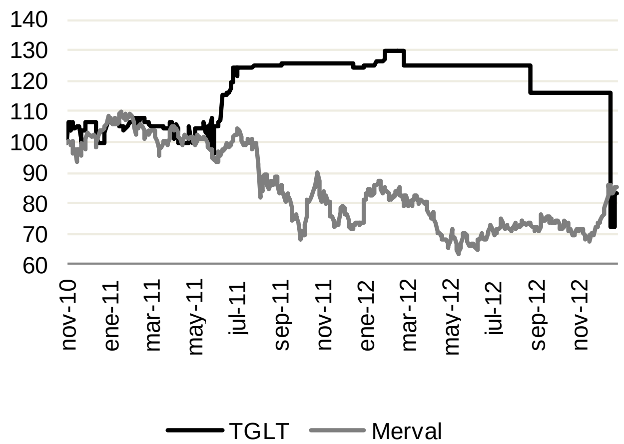
Performance of TGLT S.A. shares

TGLT stock closed at $ 7.50, 33% below the amount at the closing of the previous year. The evolution of the share price since the IPO closes a similar path as such of the Merval index, as the second graphic depicts below, after operating above this index during the last one and a half year.

Evolution of the price and operated volume



Performance of TGLT share as compared with the Merval index



Corporate Notes Program

At the Shareholders' Meeting held on December 20, 2011, approval was given for the creation of a global program for the issuance of short-, medium-, or long term simple corporate notes not convertible into stock, subordinated or not, secured or unsecured, pursuant to law No. 23576, as amended (the "CNs") for the maximum amount of fifty million United States Dollars (USD 50,000,000) or its equivalent in any other currency, under which different classes or series denominated in United States Dollars or other currencies may be issued and the succesive classes and/or series that are amortized may be reissued (the "Program"). The term of the Program will be of five (5) years, beginning with the authorization granted by CNV (Argentine Securities and Exchange Commission); within this term all the issuances and re-issuances under this Program must be carried out.

Likewise, the funds obtained by means of the placement of the CNs issued under the Program will be allotted to according to the list on section 36 subsection (2) of Law No. 23576, as amended, e.g. Investment in physical assets located in the country; and/or contribution of working capital in the country; and/or refinancing of liabilities; 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 of Directors (or, if applicable, the directors or officers to which its powers may be sub-delegated) may determine to what use the proceeds from the issuance or re-issuance of each series or class of CNs to be issued under the program will be put.

On July 12, 2012, the Board of Directors of the Argentine Securities and Exchange Commission (Comisión Nacional de Valores) authorised the program by means of resolution No. 16,853.

On August 21, 2012, Corporate Notes Classes I and II on the scope of the Program were issued.

Class I Corporate Notes were issued for the amount of ARS 19,533,207, at a variable rate according to Private Badlar, plus a margin of 5.25% due 21 months after the issuance, that is, on August 21, 2014. The capital will be amortized in Argentine Pesos by means of three equal consecutive payments on the months 15, 18, 21 and 24 as from the issuance. Interests shall be payable each three-month period as from November 21, 2012.

Class II Corporate Notes were issued for the amount of ARS 8,554,320, at a fixed rate of 9.25% due 24 months after the issuance, that is, on August 21, 2014. The capital will be amortized in Argentine Pesos by means of four equal consecutive payments on the months 15, 18, 21 and 24 as from the issuance. Interests shall be payable each three-month period as from November 21, 2012.

TGLT allocates its funds to make investments in property, plant and equipment within Argentina, to integrate working capital in the country, to refund liabilities, to make capital contributions to companies subsidiaries to or affiliated to the Company, and/or any other allotment provided for on applicable rules.

Both issuances have been graded as “A” according to the national risk scale on the long term of Fitch Argentina Calificadora de riesgo S.A. On November 30, 2012, Fitch, continuing to lower the grade of sovereign rating has graded both classes as “BBB+”, together with other Argentine companies. The Corporate Notes are traded at Bolsa de Comercio de Buenos Aires (Buenos Aires Stock Exchange) and the Mercado Abierto Electrónico (Open Electronic Market).

Class I, denominated in pesos at a variable rate

Allocated amount	Ps. 19,533,207
Interest rate	Private Badlar + 525 bps
Maturity	May 21, 2014
Amortization	Three equal consecutive quarterly installments, from Nov 21, 2013
Interest payable	Quarterly basis
Price of issuance	Par value
Rating	A-(arg) (Fitch Ratings)
Markets	Buenos Aires Stock Exchange & Open Electronic Market
Applicable law	Argentina

Class II, denominated in dollars at a fixed rate (*)

Allocated amount	US$ 8,554,320
Interest rate	9.25%
Maturity	August 21, 2014
Amortization	Four equal consecutive quarterly installments, from Nov 21, 2013
Interest payable	Quarterly basis
Price of issuance	Par value
Rating	A-(arg) (Fitch Ratings)
Markets	Buenos Aires Stock Exchange & Open Electronic Market
Applicable law	Argentina

(*) Agreed and payable in pesos at the current exchange rate

BDR Program Level II (Brazilian Depositary Receipts)

On November 4, 2011, the Securities and Exchange Commission of the Federal Republic of Brazil (in Portuguese, Comissão de Valores Mobiliários or “CVM”) granted TGLT S.A. open-company registration and approved the BDR Program Level II (Brazilian Depositary Receipts). With this program, in which each BDR represents 5 (five) TGLT ordinary shares, the Company lists its share in the BM&FBOVESPA of Brazil, the largest stock exchange of Latin America, and one of the largest in the world. In this way, all investors operating in BM&FBOVESPA may invest in TGLT in the same way as they do with local shares in the market. All common shares and ADRs of the Company are convertible into BDRs in a proportion of 5 (five) shares per BDR and 1 (one) ADR per BDR.

On February 7, 2012, the bargaining of BDR Level II (Brazilian Depositary Receips) started in BM%FBovespa, the main stock exchange in Brazil.

At the same time, we appointed the bank Brasil Plural as market maker for BDR, in accordance with instruction No. 384 of the CMV, and Chapter XII of the regulations of operations of BM&FBovespa, offering greater visibility of the prices and the flow of operations.

TGLT S.A.

ANNUAL REPORT AND OVERVIEW

FOR THE YEAR ENDED ON DECEMBER 31, 2012

I. SUMMARIZED ACCOUNTING INFORMATION

Summary of the financial position, results, and generation and application of funds and indicators

Financial Structure – TGLT Individually

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Current assets	332.871.464	282.866.575	247.007.330
Non current assets	298.042.949	319.909.382	289.228.018
Total assets	**630.914.413**	**602.775.957**	**536.235.348**
Current Liabilities	267.443.426	156.029.159	37.743.396
Non current liabilities	45.150.854	1.323.141	-
Total liabilities	**312.594.280**	**157.352.300**	**37.743.396**
Net worth	318.320.133	445.423.657	498.491.953
Total liabilities and shareholders' equity	**630.914.413**	**602.775.957**	**536.235.348**

Current assets as at December 31, 2012, increased in $50.0 million during the year, mainy as a consequence of the increase of the inventory by $78.5 million related to the projects Astor Palermo, Astor Caballito and FACA carried out by the Company. This change included an adjustment, taking into account the fair value of the functional units to be delivered as payment for the acquisition of the plot of land and for certain contracts for services and for the purchase of supplies, which counterbalance is reflected in the entry advances of clients of liabilities. In turn, non current assets decreased, mainly due to a decrease of $42.7 million under the entry long-term investments as a consequence of the losses of Maltería del Puerto S.A., in which TGLT S.A. is a shareholder.

Liabilities increased in $ 155.2 million, including, among others, increases in client advances ($123.5 million) generated by the collection of the balances of the sold units from Astor Palermo and Astor Caballito, and from loans amounting to $65.7 million, which include corporate notes for the amount of $ 59.0 million issued by the Company during the year 2012.

Finally, the Shareholders' Equity decreased in $127.1 million originated in a loss of the year amounting to $142.5 million, and the amount of $15.9 million related to the purchase of Maltería del Puerto shares after its capitalization.

Financial Structure – TGLT Group

	Dec31, 2012	Dec31, 2011	Dec31, 2010
Current assets	1.438.511.630	1.019.016.992	711.103.880
Non current assets	227.230.888	192.249.260	154.703.714
Total assets	**1.665.742.518**	**1.211.266.252**	**865.807.594**
Current Liabilities	1.238.572.787	622.459.607	258.515.201
Non current liabilities	107.077.208	115.029.864	75.414.473
Total liabilities	**1.345.649.995**	**737.489.471**	**333.929.674**
Third parties' interest in controlled companies	1.772.390	28.353.124	33.385.969
Controlling owners' interest	318.320.133	445.423.657	498.491.952
Total liabilities and shareholders' equity	**1.665.742.518**	**1.211.266.252**	**531.877.920**

As of December 31, 2012, current assets increased in $ 419.5 million during the year, mainly due to the inventory reclassification to current assets, as the delivery of all of the functional units of Forum Puerto Norte is expected in the next 12 months. The balance of Cash and cash equivalents (Cash and Banks and Short-term investments), generated by the funds from the issuance of Class I and Class II corporate notes, was allocated to investments in inventory and other operations of the Company and its subsidiaries. The increase in non-current assets is mainly explained by the increase in tax assets of $59.7 million from year to year, as a consequence of losses recognition.

Current liabilities as at December 31, 2012, reflects a balance of Advances from clients amounting to $839.4 million, corresponding to the functional units that the Company has planned to deliver in the next 12 months. Shareholders' Equity decreased in $153.6 million as a consequence of a negative net income recorded for the period.

Income for the period structure – TGLT individually

	Dec 31, 2012	Dec 31, 2011
Operating income	**(60.866.746)**	**(15.394.551)**
Long-term investment results	(85.586.286)	(38.576.969)
Exchange difference	(11.312.399)	2.824.422
Other expenses	(528.499)	(62.862)
Net Financial and holding income	6.291.683	4.198.882
Other net income and expenses	(2.684.478)	1.225.777
Net loss for the fiscal year before Income Tax	**(154.686.725)**	**(46.320.191)**
Income Tax	12.205.295	1.078.376
Net loss for the year	**(142.481.430)**	**(45.241.815)**
Difference for the conversion of a net investment abroad	(505.907)	-
Total comprehensive net loss for the period	**(142.987.337)**	**(45.241.815)**

The Gross Profit for the Company was $0.2 million, originated in certain secondary activities. Under IFRS, the Company recognizes revenue –and its corresponding COGS- only when sold units are delivered. Given that most of the Company projects are in a construction phase, the company did not record income for sales.

The Company marketing and administration expenses, incurred in to support the activities of the projects Astor Palermo, Astor Caballito and FACA, as well as those incurred in as a holding company in the projects of TGLT and its subsidiaries, amounted to $28.9 million, plus $32.1 million related to the capital gain impairment associated to the subsidiary Maltería del Puerto S.A.

The Company obtained a net financial income of $6.3, mostly due to the loans that the company has with its subsidiaries.

Income for the period structure – Group TGLT

	Dec31, 2012	**Dec31, 2011**
Operating income	(159.528.588)	(35.604.928)
Long-term investment results	-	-
Exchange difference	(67.508.207)	(21.538.717)
Other expenses	(545.841)	(70.422)
Net Financial and holding income	4.521.089	2.431.489
Other net income and expenses	926.484	1.724.073
Net loss for the fiscal year before Income Tax	**(222.135.063)**	**(53.058.505)**
Income Tax	67.117.862	13.652.640
Net loss for the year	**(155.017.201)**	**(39.405.865)**
Difference for the conversion of a net investment abroad	(505.907)	-
Total comprehensive net loss for the period	**(155.523.108)**	**(39.405.865)**
Results allocated to:		
Controlling owners	(142.987.337)	(45.241.815)
Non-controlling interests	(12.535.771)	5.835.950

As mentioned above, under IFRS, the Company recognizes revenue –and its corresponding COGS- only when sold units are delivered. Currently, TGLT is growing and most projects are at their initial stage. Taking into account all of the projects in its portfolio, only Forum Puerto Norte has started to deliver units. For this reason, the operating result for this year is highly influenced by the performance of this project.

In previous occasions that were mentioned again under section Gross Profit PoC of this document, we explained the reasons (from the context and from the project itself) that made Forum Puerto Norte incur in operating losses. This is reflected in the Gross Profit for the period that records the delivering of units with a negative gross margin, a situation that is highlighted by the fact that these units belong to the first launched buildings, which, naturally, present a shorter margin. In turn, considering the current and expected income for the project, and proceeding as indicated by the regulation, we are recording a stock impairment of the current project, totaling $ 56 million, as advances for future losses that will crystallize as long as new units are delivered. Finally, considering what we have mentioned above and the high degree of progress of the project, we are recording the goodwill or capital gain impairment ($32 million) generated at the time in which TGLT adquired Maltería del Puerto S.A.

Furthermore, the operating result includes taxes related to sales (mainly Gross Income Tax) as well as all marketing and administrative expenses necessary for supporting the growing structure of the Company. During the whole year, the Company, supporting the present and expected growth of the activity level, made great investments in sales force management systems and marketing campaigns for all of its projects, as well as in strengthening its working group and technological resources by implementing an excellent new system of Enterprise Resource Planning (ERP).

The Exchange Difference result arises from the regular reevaluation that the Company performs on its assets and liabilities in foreign currency, which mostly come from customer advances denominated in dollars and the recent issuance of corporate notes in said currency. This effect is emphasized in this year due to a greater yearly depreciation of the exchange rate as compared with 2011 (+5.0%).

Cash flows structure – TGLT individually

	Dec 31, 2012	Dec 31, 2011
Funds used in operating activities	(99.860.429)	(88.087.185)
Funds used in investing activities	(4.631.056)	(1.932.320)
Funds provided by financing activities	84.459.970	4.070.858
Total funds brought about during the year	**(20.031.515)**	**(85.948.647)**

In 2012 ARS 89.2 million were used in operating activities. Advances of clients received during the year (ARS 101.4 million) provided most of the operational financing. The main expense incurred in was the investment in inventory (ARS 70.0 million).

The investment in PP&E of ARS 4.1 million, of which ARS 3.6 million were allocated to showrooms and intangible assets – mostly software– explain the use of investment activities.

The above described uses were financed by obtaining external funds for the amount of ARS 66.6, which include the issuance of ARS 59.0 million in Class I and Class II corporate bonds and other bank loans.

Cash flows structure – Group TGLT

	Dec31, 2012	Dec31, 2011
Funds used in operating activities	(77.820.275)	(101.190.665)
Funds used in investing activities	(7.145.944)	(15.045.961)
Funds provided by financing activities	106.801.306	21.346.625
Total funds brought about during the year	**21.835.087**	**(94.890.001)**

In 2012 ARS 77.8 million were used in operating activities. Advances of clients received during the year (ARS 437.1 million) provided most of the operational financing. The main expense incurred in was the investment in inventory (ARS 383.3 million).

The investment in PP&E of ARS 6.6 million, of which ARS 3.9 million were allocated to showrooms and intangible assets – mostly software– explain the use of investment activities.

The above described uses were financed by obtaining external funds for the amount of ARS 105.0 million, which include the issuance of ARS 59.0 million in Class I and Class II corporate bonds and other bank loans.

II. RELATIONS WITH AFFILIATES

The following relations are held with affiliates:

- 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, Matería del Puerto S.A. entrusted the Company with the management, financial and commercial administration of the "Forum Puerto Norte" project, 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 the amount of USD 200,000 until September 30, 2008, the monthly amount of USD 80,000 from October to December, 2008 inclusive, the monthly amount of USD 40,000 from January, 2009 to June, 2011, both inclusive, and shall pay the amount of USD 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 said agreement.

  For those promotion and marketing services, Maltería del Puerto S.A. shall pay to the Company 2 % of the total value of gross sales of the units in the urban project "Forum Puerto Norte".

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

  On account of said services, the parties agreed on the payment of 48 monthly installments of USD 67,000 plus the Added Value Tax in favour of the Company which cannot exceed 2% of the project aggregate gross sales; however, if once said amounts have been paid in full, and said amounts exceed the 2% limit provided for above, the relevant part must pay the difference to the other party. Furthermore, another form of variable compensation in favour of the Company is established, regardless of what is provided above, connected to Canfot S.A. net and earned profits.

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

  For those promotion and marketing services, Canfot S.A. paid the Company 2 % of the total value of gross sales of the units in the project mentioned in the preceding paragraph.

  On July 1, 2011, the parties agreed to suspend the terms and conditions of said agreement, resuming them on November 1, 2012, fixing the monthly amount of ARS 120,000 for any item being invoiced from November, 2012, to January 31, 2014, or until six months have elapsed since the closing of the post-construction stage of the project, whichever is later.

- On October 13, 2010, the Company executed a preliminary sales agreement with Alto Palermo S.A. (herinafter "APSA") for the purchase of the premises located in the City of Buenos Aires, facing the street Beruti No. 3351/59, between Bulnes and Av. Coronel Díaz, with Real Estate Registration: Circumscription 19, Section 15, Parcel 11-S. The Company is planning the construction of an apartment building with residential and commercial garages in said premises.

  In consideration for the acquisition of the premises, the Company agreed to transfer to APSA: (i) a number to be determined of functional housing units (apartments) jointly representing 17.33% of the Company own sellable square metre of residential space (apartments) in the building to be constructed; (ii) a number to be determined of supplementary/functional units (garages), representing 15.82% of the Company own square metres of garages in the same building; (iii) the total amount of functional units to be used as commercial parking spaces; and (iv) the amount of USD 10,700,000, which were paid in November 5, 2010.

  On December 16, 2010, the deed of conveyance of said premises was executed by Alto Palermo S.A. as the seller and the Company, as the purchaser.

  As a result of the acquisition of the premises, and to secure performance of all the obligations TGLT S.A. assumed vis-à-vis APSA, TGLT S.A. furnished a first-priority mortgage over said property in favour of APSA. The mortgaged amount is USD 8,143,231 (See Note 34.4.)

  This property is also subject to three gratuitous, perpetual, continuous and non-aparent easements, as a servient estate in favour 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 built on the servient estate.

- On June 29, 2011, the Company entered into an exchange acquisition operation for a plot of land located in this city, identified with the following real estate registration: Circunscription: 7; Section 45; Item: 179,579-02 (the "Premises"), owned by IRSA Inversiones y Representaciones S.A. (hereinafter "IRSA".) The Company intends to develop a housing project on the Property.

  In consideration for the acquisition of the premises, the Company agreed to transfer to IRSA:

  (i) a number to be determined of functional housing units (apartments), jointly representing 23.10% of the property sellable square metres destined for housing (apartments) in the building to be constructed;

  (ii) a number to be determined of garages, jointly representing 21.10% of the proprietary garages square metres located in the two underground levels of the real estate development to be built by TGLT in the Premises;

  (iii) If the Company builds supplementary cellar units, a number to be determined of supplementary cellar units equivalent to 21.10% of the proprietary cellar square meters in the buildings that the Company will erect on the Premises; and

  (iv) the amount of USD 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.

- On March 30, 2011, the Company entered into an agreement for the sale of the total capital stock of "Pico y Cabildo S.A.", with the shareolders of such company (the "Sellers"). On April 14, 2011 (the "First Closing Date") 95 % of the shares were transferred to the Company and on June 2, 2011 (the "Second Closing Date"), 5 % of the remaining shares were transferred to the Company.

The main assets held by Pico y Cabildo S.A. are two plots of land located in Nuñez neighbourhood, in the City of Buenos Aires, as per the following breakdown (hereinafter, collectively, the "Premises"):

I. Vedia Street No. 2332 / 2334 / 2340 / 2342 / 2348 / 2350 between Cabildo Avenue and Vuelta de Obligado Street;Real Estate Registration: Circunscription: 16; Section 29; Block 12; Parcel 4b; Registration number: FR 16-48561; and
II. Cabildo Avenue No. 4801 / 4827 / 4829 / 4833 / 4837 / 4847 / 4861 and Pico Street 2329 / 2335 / 2339 / 2347 / 2351 / 2357 / 2361 / 2375 / 2395 / 2397; Real Estate Registration: Circunscription: 16; Section 29; Block 12; Parcel 4b; Registration Number: FR 16-48562.
The total purchase price for the shares was agreed at USD 12,600,000, which were paid-up as follows:

(i) The amount of USD 2,199,348 was paid by the Company delivery to the Sellers of the preliminary sales agreements of the functional units in the "Astor Palermo" real estate undertaking, that the Company is developing in the premises owned on Beruti 3351, in the City of Buenos Aires.

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

(iii) USD 4,215,877 was paid in cash on January 30, 2012.

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 favour of the sellers. Such pledge was released after payment of the price.

On September 13, 2011, the Company transferred to Canfot S.A. shares representing 3% of the share capital and votes in Pico y Cabildo S.A. for the amount of ARS 1,587,601.

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

On February 19, 2013, TGLT acquired from Canfot S.A. 2,640 ordinary registered non-endorsable shares with a par value of ARS 100 each, carrying 1 vote per share, representing 3 % of the capital and votes in Pico y Cabildo S.A. The acquisition aims at merging TGLT and Pico and Cabildo S.A., which is scheduled for the first semester of 2013.

The purchase price amounted to ARS 1.587.601, ARS 100,000 to be paid in the first installment on February 28, 2013 and ARS 1,487,600 to be paid on February 18, 2014. Such remaining balance will accrue current interest equivalent to the Badlar rate per annum, calculated from the date of the agreement, e.g. February 18, 2013, until the date of payment.

- 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 S.A. were entrusted with managing "Venice" urban project. Pursuant to the provisions of the agreement, the developers (the Company and Metro 21 S.A.) take charge of managing the project, which includes supervision of 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 ARS 15.000 plus Added Value Tax, of which ARS 90,000 will be paid to the Company.

  For the product sales services (except those referred to as Macrolotes), Marina Río Luján S.A. shall pay the developers 2% plus Added Value Tax 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 Added Value Tax. Payments for marketing 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.

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

- On October 5, 2011, the Company entered into a stock purchase agreement, whereby it acquired 100% of the share capital of TGLT Uruguay S.A., for the amount of USD 5,100.

TGLT Uruguay S.A. is a company incorporated under the laws of the Oriental Republic of Uruguay, and was acquired by the Company for the purposes of extending business in said country.

Additionally, on November 22, 2011, TGLT Uruguay S.A. acquired 100% of the share capital of FDB S.A. for the amount of USD 5,100.

FDB S.A. is a company incorporated under the laws of the Oriental Republic of Uruguay, and was acquired for the purposes of developing the urban project "Forum Puerto del Buceo" in said country.

On June 29, 2012, the Company decided to capitalize the credit it had with TGLT Uruguay S.A. for the amount of USD 2,382,336, equivalent to ARS 10,689,541.

a) As at December 31, 2012, 2011 and 2010, the amounts outstanding with companies as per section No. 33 – Law No. 19550 and other related parties, classified according to the type of operation, are as follows

TRADE RECEIVABLES	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
In local currency:			
Marina Río Luján S.A.	19.429	78.681	-
AGL S.A.	1.315.000	-	-
	1.334.429	78.681	-
OTHER RECEIVABLES			
In local currency:			
Individual shareholders	2.374.617	910.282	356.176
PDG Realty S.A. Empreendimentos e Participações	1.229.620	842.516	250.455
Other shareholders	1.976.747	909.086	-
Directors	111.024	32.631	23.806
	5.692.008	2.694.515	630.437
In foreign currency:			
Alto Palermo S.A.	-	2.480.737	-
Individual shareholders	884.193	2.788.486	-
	884.193	5.269.223	-
Total receivables with related parties	**7.910.630**	**8.042.419**	**630.437**

TRADE PAYABLES	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
In foreign currency:			
IRSA Inversiones y Representaciones S.A.	26.711.763	42.224.900	-
	26.711.763	42.224.900	-
LOANS			
In foreign currency:			
Individual shareholders	884.767	14.204.607	398.472
	884.767	14.204.607	398.472
CUSTOMER ADVANCES			
In local currency:			
Individual shareholders	1.480.385	4.022.989	1.103.347
	1.480.385	4.022.989	1.103.347
In foreign currency:			
Individual shareholders	4.834.453	4.088.507	2.931.587
Alto Palermo S.A.	69.007.438	35.048.466	32.377.486
IRSA Inversiones y Representaciones S.A.	45.467.624	11.965.151	-
	119.309.515	51.102.124	35.309.073
Total outstanding amounts with related parties	**148.386.430**	**111.554.620**	**36.810.892**

a) As at December 31, 2012 2011 and 2010, the amounts outstanding with companies as per section No. 33 – Law No. 19550 and other related parties, classified according to the type of operation, are as follows (continued):

	Profit/(Loss)	
	Dec 31, 2012	Dec 31, 2011
SERVICES PROVIDED		
Marina Río Luján S.A.	-	290.879
AGL S.A.	1.086.777	-
	1.086.777	290.879
FINANCIAL RESULTS		
Marina Río Luján S.A.		(235.750)
Alto Palermo S.A.	(6.248.452)	(2.394.324)
IRSA Inversiones y Representaciones S.A.	(8.195.664)	(2.443.927)
Individual shareholders	(3.592.833)	(216.392)
	(18.036.949)	(5.290.393)
PAYMENT MADE ON BEHALF OF AND TO THE ORDER OF THIRD PARTIES		
Individual shareholders	1.750.042	489.343
PDG Realty S.A. Empreendimentos e Participações	387.104	592.062
Other shareholders	753.851	-
Directors	77.693	-
	2.968.690	1.081.405

III. CORPORATE GOVERNANCE

Corporate Governance Policies

The Company fulfills Business Organizations Act of the Argentine Republic, as well as the Transparency Degree 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 the Transparency Decree and CNV regulations.

The code establishes the following specific guidelines for corporate Board 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 managers;
- The obligation to evaluate the convenience of including the guidelines established in the Code in the corporation 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 to Directors;
- 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 Transparency Decree;
- The obligation to evaluate whether it is convenient that members on the Supervisory committee also acts 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 reasons for the same.

TGLT aims at applying corporate governance practices meeting the highest international standards. For this reason TGLT combines the adhesion to the above mentioned guidelines, with other practices of good corporate governance as follows:

- A single type of share, each one representing 1(one) vote.
- Mandatory public offering in case of withdrawal from public offering.
- Arbitration panel of the Buenos Aires Stock Exchange for claims related to 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.

When it comes to accounting information, it is currently prepared in accordance with the professional accounting standards currently in effect in the Argentine Republic, issued by Federación Argentina de Consejos Profesionales de Ciencias Económicas (Argentine Federation of Professional Economics Associations), pertinent regulations of CNV and the Business Organizations Act. As form 2012, the Cmpany will draft its accounting information as per the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Board of Directors

Federico N. Weil, Mariano Weil, Carlos Augusto Leone Piani, Marco Racy Kheirallah, Ezequiel Segal, Marcelo Chaladovsky, Cynthia Lorena Vatrano Natale, Rafael Ignacio Soto, Rodrigo Lores Arnaiz, Saulo de Tarso Alves de Lara, Natasha Najman, Natalia Maria Fernandes Pires, Daniel Alfredo Vicien, Santiago Juan Gallichio, are "non-independent directors" according to the criteria set forth in the CNV regulations and Aldo Raúl Bruzoni and Alejandro Emilio Marchionna Faré are "independent" directors according to the criteria set forth in CNV regulations.

Director	Position in TGLT	Office expires	Date of appointment	Capacity
Federico N. Weil	Chairman	Dec 31, 2012	October 30, 2009	Office holder
Carlos Augusto Leone Piani	Vice-chairman	Dec 31, 2012	January 15, 2013	Office holder
Mariano Weil	Director	Dec 31, 2012	October 30, 2009	Office holder
Ezequiel Segal	Director	Dec 31, 2012	October 30, 2009	Office holder
Marco Racy Kheirallah	Director	Dec 31, 2012	January 15, 2013	Office holder
Marcelo Chaladovsky	Director	Dec 31, 2012	January 15, 2013	Office holder
Alejandro Emilio Marchionna Faré	Director	Dec 31, 2012	February 19, 2010	Office holder
Aldo Raúl Bruzoni	Director	Dec 31, 2012	July 3, 2012	Office holder
Rodrigo Lores Arnaiz	Director	Dec 31, 2012	July 20, 2011 (ratified by the Ordinary Shareholders' Meeting on December 20, 2011)	Substitute
Saulo de Tarso Alves de Lara	Director	Dec 31, 2012	July 3, 2012	Substitute
Rafael Ignacio Soto	Director	Dec 31, 2012	March 19 (ratified by the Ordinary Shareholders' Meeting on April 17, 2012)	Substitute
Cynthia Lorena Vatrano Natale	Director	Dec 31, 2012	February 19, 2010	Substitute
Natasha Najman	Director	Dec 31, 2012	January 15, 2013	Substitute
Natalia Maria Fernandes Pires	Director	Dec 31, 2012	January 15, 2013	Substitute
Daniel Alfredo Vicien	Director	Dec 31, 2012	July 3, 2012	Substitute
Santiago Juan Gallichio	Director	Dec 31, 2012	July 3, 2012	Substitute

Following is a brief description of the Board members' background:

Federico N. Weil. Born on January 9, 1973. Weil is the founder of TGLT and has been the Chairman of the Board since 2005. Additionally, he is the Chairman of Matería del Puerto S.A., a regular board member of Marina Río Luján S.A., managing partner of Tovleb SRL and regular board member of Canfot S.A. Hi is also Chairman of CAP Ventures Compañìa Argentina de Participaciones S.A. and 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 graduated from Universidad de Buenos Aires. He also obtained a Master in Business Administration from The Wharton School of the University of Pennsylvania. Federico Weil is Marianos Weil's brother.

Carlos Augusto Leone Piani. Since 2010 he acts as co-manager for the Private Equity area of Vinci Partmers Investimentos Ltda. Aditionally, Mr. Piani is a member of the executive board of CEMAR, CMAA, Equatorial Energia, Unidas S.A. Burger King Brasil, Cecrisa and Le Biscuit S.A. He was the Chairman of Equatorial between March 2007 and April, 2010. He was the Deputy Chief Financial Officer of CEMAR between May, 2004 and March, 2006, as well as Vice-Chairman between March, 2006 and April, 2012. Before he had been a partner of Banco Pactual. Between 2000 and 204 he was the manager of Fundo Internet, and during 1998 and 2000 he worked at the Department of Corporate Financing of the Bank. Before Banco Pactual, he was an anlyst of the Department of Business Valuation at Ernst & Young. He obtained a degree on Computing from Pontificia Universidade Católica de Río de Janairy, and a degree on Business Administration and Management from IBMEC-RJ. He has specialized in Business

Management at Harvard Business School and a certificate as Chartered Financial Analyst (CFA)

Mariano Weil. Born on November 7, 1975, Mariano is a regular board member of TGLT's Board of Directors. Mariano began his professional career at Financial Leadership Program of General Electric Company (GE) 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 Solution, 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 Universidad de San Andrés. Mariano is Federico's Weil brother, Chairman of TGLT.

Ezequiel Segal. Born on November 17, 1971. Mr. Seagal has been a regular board member of TGLT since 2007. He is an attorney graduated from the School of Law of Universidad de Buenos Aires in 1993. He later obtained a post-graduate degree at the Northwestern Universtiy Business and Law School – Kellogg School of Management (Chicago, USA). He also took post-gradueate studies at the School of Business of the City University of Hong Kong and worked in the Legal Department of Ameritech Corporation in Chicago. He then became partner at the Segal, Turner & Asociados Low 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, mergers, international acquisitions and mergers on behalf of prestigious institutions and mutual funds. Mr. Segal has been a professor of Corporations and Business Law at Universidad de Buenos Aires, and since 1998 he has been professor in the Negotiation of Degrees in Corporate Economics at Universidad Torcuato Di Tella. He is also a professor of a Management Course at ADEBA and a visiting professor at various universities.

Marco Racy Kheirallah. Member of PDG's Administration Council from October, 2006, to December, 2008. In 2010 he founded SIP Capital, a resource manager company located in San Pablo. He was member of the alternative investments team of USB Pactual Gestora de Recursos Alternativos Ltda, in Río de Janeiro until 2006, and later he became a partner of such institution in 2001. In November, 1996, as a partner of Banco Matrix S.A. he became a head trader of the activities for the application of proprietary resources and as a treasurer for the organization. From October, 1994, to October, 1996, he was a trader of fixed income and exchange rate at Banco Opportunity S.A., and from July, 1992, to September, 1994, he was a trader of fixed income at Banco BCN S.A. Kheirallah has a degree on Business Administration and Management from Fundación Getúlio Vargas, of San Pablo, FGV-SP.

Marcelo Chaladovsky. Mr. Marcelo Chaladovsky, having five years of experience and exercise in the financial area, entered in the company in 2010 as Financial Analyst, through CHL, an investment of PDG. Afterwards, he took over the coordination in the areas of Tresury and Financial Planing, as responsible for the Cash Flow Administration and Project Management. Once in PDG Holding in 2011, he started to work in the Investment Planing area. Before, he had acted as Officer at the Corporative Middle Market Corporative Credit segment in Banco CR2 and BRR Administração de Crédito. Mr. Marcelo Chaladovsky has a post-graduate degree in Corporative Finance and Management, and is currently the Chief Financial Officer and a member of the Administration Council at Real Estate Partners (REP).

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 Management Council of Fundación Andes. Currently, Mr. Marchionna is an independent consultant and university professor. 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 at IAE of Universidad Austral, professor of "Company Policy", and "Applied Strategy" in the MAE of the UNR; and academic director of the Program DEC-Director de Empresas Certificado, offered jointly by ADE-IGEP. Mr. Marchiona has a degree on Operational Research and Industrial Engineer from Universidad Católica Argentina. He obtained a Master in Business Administration at Harvard University.

Aldo Raúl Bruzoni. Born on Mach 30, 1950, he has been a regular board member since 2012. Mr. Bruzoni is a regular board member of Telecom Personal and Vice-president of Instituto de Governanza Empresaria y Pública (IGEP). Since 2004, he has worked as an independent consultant, providing consulting services to companies in the local and European automobile industries. Aditionally, 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. Bruzoni has a degree on Business Management from Universidad Argentina de la Empresa in 1976.

Rodrigo Lores Arnaiz. Born on April 29, 1971. Mr. Lores Arnaiz is the Processes, System 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 Arniz 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 honours at Universidad de Buenos Aires.

Saulo de Tarso Alves de Lara. Mr. Lara has a degree on Business Adinistration (1979) from Fundación Getúlio Vargas, and has obtained a post-graduate degree in Control and Finance for his post-graduate studies in Development of International Business Administration (1984). He started his career at Arthur Anderse, where he acted as External Auditor for 10 years. From 1987 to 1996 he worked in the civil construction segment for a cement company, where he was in charge of the corporative control and operations for Brazil and Latin America. In 1996 he took over the position of Chief Financial Officer of a packing company in the United States. Two years later he took over the position of Planning and Control Officer for Cyrela Brazil Realty, where he worked until he was incorporated to the team of financial management of Grupo PDG in 2010.

Rafael Ignacio Soto. Born on November 7, 1980, he is the Chief Financial Officer of TGLT since February 2011. Previously, he acted as Planning and Investors Relations Manager for TGLT. Before joining TGLT in 2009, he worked at the investment bankig division for Credit Suisse Bank in New York. He also worked in financial and capital market positions in BBVA Banco Francés and Telefónica de Argentina. Rafael has obtained an Economy Degree from Universidad de San Andrés and obtained an MBA from Harvard Business School. Aditionally, he is a Chartered Financial Analyst with the CFA Institute.

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

Natasha Najman. Mrs. Natasha Najmna is in charge of the shareholding of PDG since 2008 and works in the management and administration of more than 1000 Especial Purpose Entities (SPE), different operations related to the capital exchange market, providing support in the area Relations with Investors. He took part in succesive share purchase operations of Goldfarb Incorporações e Construções S.A., CHL Desenvolvimento Inmobiliário S.A, and Agre Empreendiments Imobiliários S.A., which made PDG a leader in the real estate incorporation sector. Alter incorporating the companies to TGLT, she was the leader of the merger between PDG and the business units. In the past she acted, for two years, as a lawyer for the law firm Gustavo Padilha Associados, especialized in real estate. She graduated in Law at UCAM – Universidade Candido Mendes.

Natalia Maria Fernandes Pires. Mrs. Natalia Maria Fernandes Pires is responsible for the Law Department of PDG group. She was the Law Director at Abyara Plnejamento Imobiliário S.A., where she took part in the initial public offering of the Company, provided support in the area of Investors Relations, structured and financial real estate operations, management and administration of more than 100 Special Purpose Entities (SPE) and negotiations with regard to the sale of relevant companies/assets of the group. Natalia effectively took part in the renegotiation and reduction of Abyara’s debt in the Management Committee, together with the Administration Councel and the shareholders of the control block. During the sale of the Company in 2009, it led the merger with the purchasing company, which resulted in the merger of shares of the companies Abyara, Klabin Segall S.A. and Agra Empreendimentos Imobiliários S.A. on behalf of Agre Empreendimentos Imobiliários S.A. In Agre, she was responsible for the real estate law of the group, and she accumulated 17 years of experience in the sector of real estate incorporation. He obtained a law degree from Facultade Metropolitana Unidas - FMU

Daniel Alfredo Vicien. Is a councellor specialized in strategy, finance and business processes. He has directed consulting projects in reengeneering and optimisation of processes, development of new business, strategic use of internal and external management, organizational change for the implementation of new strategies. He has experience presiding workshops for the development of enterpreuners, in-company as well as in seminars ad hoc for Universidad Austra. He has considerable experience in training company staff. As a teacher, he is professor of Estrategic Planning, Direction and Control of Companies, Data Processing and Operating Investigation in UNBA and UCA. He has worked Business Units Manager in major national and international companies. He has more than 26 years of experience in the areas of marketing, strategic planning, system planning financial planning and control, operations and administration. Currently, he is the Chairman of Cabernet de los Andes S.A. (vertical vineyard and organic winery) and Chief Executive Officer of Pehuén Rucá (real estate agency), both national SEMs. He obtained a degree of Operational Investigation and Industrial Engeneering at Universidad Católica Argentina and obtained a M.I.B. in “Ecole Nationales des Ponts ets Chaussees”. He has a postgraduate degree of IAE (PDD) and is a Certified Director of Companies.

Santiago Juan Gallichio. He obtained a Master degree in Economy from CEMA, he has obtained a degree in Economy (UBA). Philosophy Degree (UBA). IGEP director. Specialist in corporate governance, business ethics and corporate civil liability. Director of the Consulting Firm EXANTE. President of Tecnoerosión S.A., President of Instituto de Gobernanza Empresarial y Pública (IGEP).

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 Business Organizations Act and the CNV regulations. Any remuneration paid to our board members must first be approved at an ordinary shareholders’ meeting. Amounts to be paid to the members of the board cannot exceed the limits set forth in Section 261 of the Business Organizations Act, unless expressly authorized by the Shareholders’ meeting having previously addressed the issue as a special point of the Agenda.

TGLT S.A.

ANNUAL REPORT AND OVERVIEW

FOR THE YEAR ENDED ON DECEMBER 31, 2012

Management

TGLT stands out due to its corporate culture 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 beginning, the Company has been led by Federico Weil, the General Manager. The company has gone through a process of recruiting executives aiming at gathering the most qualified profesionals to cover positions of responsibility. As a result of this strategy, TGLT has an executive staff with considerable experience with the clear purpose of building and developing the Company planned growth.

The administration of the Company activities and the implementation and execution of corporate targets is conducted by the senior managers and reports directly to the President. The president appoints the senior managers.

The following table shows information about the senior managers that are currently serving the Company:

Name	Position	Date of appointment
Federico Weil	Chief Executive Officer	September 20, 2005
Rafael I. Soto (*)	Chief Financial Officer	February 28, 2012
Alejandro Belio	Chief Operating Officer	January 18, 2010
Rodrigo Lores Arnaiz	Processes, Systems and HR manager	July 17, 2006

(*) On February 28, 2012, Fernando Gallino, who had been acting as Chief Financial Officer since September 1, 2009, submitted his irrevocable resignation from office. On the same date, Rafael I. Soto was appointed to fill such vacancy, which was later ratified by the Board of directors.

Alejandro Belio. Born on April 28, 1956, Mr. Belio is the Chief Operating officer since January, 2010. Previously, he was the Chief Executive Officer of Faena Poperties S.A. He was also the Chief Executive Officer 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 graduated from Universidad de Buenos Aires in 1979, obtained an MBA in Universidad del CEMA and completed the IAE Executive Management Program.

See Board of Directors Section for background on Federico Weil, Rafael I. Soto and Rodrigo Lores Arnaiz.

Our remuneration policy aims at attracting, retaining, and promoting highly-qualified professionals, as well as at 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 senior managers perceive a fixed amount as per their backgrounds, capabilities and experience, and an annual bonus that varies depending on their individual performance and our results. In October, 2009, TGLT Board of Directors approved a variable compensation scheme for board members and employees in accordance with the Company development and growth. Each year, an amount of the Company 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 Committee

Our Supervisory Committee is responsible for reviewing and supervising our management and matters and for verifying fulfillment of the articles of incorporation and decisions adopted at Shareholders' Meetings. The members of the Suppervisory Committee are appointed at the Annual Ordinary Shareholders' Meeting for the term of three consecutive fiscal years.

Following is the current composition of our Supervisory Committee, in accordance with the decisions made at the Ordinary Shareholders' Meeting held on June 18, 2009, and the General Shareholders' Meeting on February 19, 2010:

Name	Position	Profession	Capacity
Ignacio Fabián Gajst	Statutory Auditor	Certified Public Accountant	Office holder
Silvana Elisa Celso	Statutory Auditor	Certified Public Accountant	Office holder
Javier Errecondo	Statutory Auditor	Lawyer	Office holder
Romina Paola Minujin	Statutory Auditor	Certified Public Accountant	Substitute
Aurelia Petrona Vargas	Statutory Auditor	Certified Public Accountant	Substitute
Santiago Dellatorre	Statutory Auditor	Lawyer	Substitute

The members of the Supervisory Committee qualify as independent members in accordance with CNV regulations. Furthermore, 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 Committee:

- Inspecting management of the Company, for which purposes it reviews the books and documentation at least one every three months;
- Check availability and securities, as well as obligations and their fulfillment. It may also request that balance sheets be prepared 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 benefit of the Company.
- Submitting a written, well-founded report to the Ordinary Shareholders' Meeting regarding the Company economic and financial situation, passing judgement on the annual report, balance sheet 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 fails to do so.
- Including the points that are deemed relevant on the agenda for shareholders' meetings.
- Checking that corporate bodies fulfill the law, articles of incorporation, regulations and decisions made at shareholders' meeting.
- Inspecting the Company liquidations proceedings.
- Investigating the complaints submitted in writing by shareholders who represent at least 2 % of the shares.

Relations with Investors

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

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

IV. DIVIDEND POLICY

Currently, the Company does not plan on establishing a formal policy regarding dividends setting forth the amount and payment of dividends or other distribution.

The Company does not plan to distribute any dividends within the next two to three 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 the Bylaws and the Business Organizations Act, the Company may declare dividends once or more, within any business year, and even pay anticipated dividends, pursuant to Section 224 (ii) of said Law, out of the realized net earnings as shown in the consolidated balance sheet of the Company, prepared in accordance with Argentine Generally Accepted Accounting Principle and the Regulations of the Argentine Securities and Exchange Commission as at the last day of that business year, or in special consolidated balance sheets in case of anticipated or interim dividends, providing that such dividend must be paid ratably to all of the holders of ordinary shares of the Company as at the pertinent record date.

All capital shares of the company rank pari passu in terms of dividend payments.

V. OUTLOOK

During 2013 we expect a more complex economic context, a moderate economic growth and a slightly higher level of inflation than 2012. However, and trusting in the strength and diversification of our portfolio, we plan to go back to growth that was established at the IPO, with launches for an amount of USD 280 million.

We are planning to reach that amount in launchings with most of the projects that are currently in our portfolio. We will offer to phases of Venice, our project in the city of Tigre, including the commercialization of certain buildings by means of the new cooperating financing modality. We will seek to strengthen our leader position in Rosario by launching the project currently known as FACA. Aiming at regulating the supply and demand of our customers, we are planning to launch two very different products; on the one hand, Metra Puerto Norte, our first product under the scheme of cooperative financing; and on the other hand, the first buildings designed by the firm Foster + Partners, who has also designed the masterplan in which both products are included. Finally, and continuing with our strategy to expand to other markets in the region, we will launch the last stage of Forum Puerto del Buceo Project, in the city of Montevideo, which represents the highest premium product of the project and the market with regard to sightseeings and typologies. Finally, we are planing to reach the guidance fixed with the introduction of a new line of business, consisting in the development of office projects under financial trusts with public offer, where TGLT will be a manager and a possible investor.

During 2012 we worked hard to strengthen our technological resources and working groups, and with a view to 2013, we consider that we have all the necessary resources to address the expected level of activities. We implemented the world class Enterprise Resource Planning system (ERP) which currently supports all our back office projects, and will be introducing during 2013 front office projects, such as CRM and project management. On the othe hand, after 2011, when different working teams were organized with top-level professionals, during 2012 we joined professionals to reinforce our basis, and now we have a strong working team, which will be only reinforced with few people as the progress of projects so justifies, and focusing specially in our sales forces, according to the exclusive broker scheme that TGLT will use to commercialise most of its projects.

In order to support the expected growth, and continuing the efforts made in 2012, we will continue working actively in order to obtain bank financing for our projects. Currently, we are under a bargaining process with bank institutions for the purposes of obtaining financing for the projects we have launched or we will be launching during 2013. On the other hand, when it comes to corporative financing, we can say that the issuance of a new series of corporate notes is possible, aiming at refinancing and enlarging the amounts issued in 2012.

VI. ACKNOWLEDGMENTS

We wish to Express our thanks to suppliers, clients, banking institutions, professionals, councelours and staff for their cooperation and support.

Buenos Aires, March 8, 2013.

THE BOARD OF DIRECTORS

TGLT

TGLT S.A.

ANNUAL REPORT AND OVERVIEW

FOR THE YEAR ENDED ON DECEMBER 31, 2012

EXHIBIT I

Sección 1.02 REPORT ON CORPORATE GOVERNANCE CODE

(a) CNV GENERAL RESOLUTION No. 606/12

(i) OF THE ARGENTINE SECURITIES AND EXCHANGE COMMISSION

In compliance with General Resolution No. 606/12 of the Argentine Securities and Exchange Commission (CNV), we enclose to this Annual report as an Exhibit, the Corporate Governance Code (hearinafter the "Corporate Governance Code") of TGLT S.A. (hereinafter "TGLT" and/or the "Company"), individualized as Exhibit IV, Chapter XXIII of CNV Regulations (t.o. 2001, herinafter and jointly with any other regulation issued by CNV, the "Regulations" for the year closed as of December 31, 2012.)

PRINCIPLE I: REVEAL THE RELATIONSHIP BETWEEN THE ISUER AND THE ECONOMIC GROUP THAT LEADS AND/OR OF WHICH IT IS A MEMBER AND ITS RELATED PARTIES

Recomendation I.1: Ensure the disclosure by the Organ of Administration of the policies applicable to the relationship between the Issuer and the economic group that leads and/or of which it is a member and its related parties.

1) Degree of compliance: Partial

The Company carries out operations with related companies, and such operations are shown in the financial statements, in accordance with the International Standards issued by the International Accounting Standards Board ("IASB"). Furthermore, in the financial statements it shows a list of the companies over which it exerts control, joint control or significant influence. In such operations, the company complies with the dispositions of sections 5, 15 and 73 of Decree No. 677/2001 – which have been replaced by section 99 subsection a), 109 and 110 and 72 and 73 of Law No. 26,831 – Capital Exchange Act (hereinafter, in Spanish "LMC"), respectively – and section 12, Chapter III of the Text Ordered by CNV.

Except from the above mentioned regulative framework, the Company still does not have an internal regulation authorizing transactions between related parties, because the Company Board of Directors understands that said regulative framework addresses all of the necessary requirements for fully protecting the interests of the Company and its shareholders.

a) Recommendation I.2: Ensure the existence of mechanisms that would prevent conflicts of interest.

i) Degree of compliance: Total

The Company has the "TGLT Code of Business Conduct and Ethics" (See VIII.1) and has adopted as its own policy to follow and comply with all of the specific procedures set forth in effective regulations with regard to the identification, management and resolution of conflicts of interest that may arise among Board members, senior managers and/or members of the Supervisory Committee from their relation with the Company or with persons related to the Company.

b) Recommendation I.3: Prevent the misuse of inside information.

i) Degree of compliance: Total

The Company has internal policies to prevent the misuse of inside information by the employees. These policies are aimed at defining and standardizing the treatment of the information that add value to TGLT competitiveness and that may have an impact on TGLT financial performance, market participation, image or relations with interested parties, and that create a regulatory framework intending to achieve an effective protection of the Company information.

PRINCIPLE II: LAY THE BASIS FOR A SOUND MANAGEMENT AND SUPERVISION OF THE ISSUER

Recommendation II. 1: 1: Ensure that the Management Body assumes the management and supervision of the Issuer and its strategic orientation.

II.1.1 The Managemet Body approves:

II.1.1.1 The strategic or busines plan, as well as the annual management goals and budgets,

Degree of compliance: Total

In compliance with the dispositions set forth in the Business Organizations Act - Law No. 19550 as amended ("LSC") and the Company Bylaws, the Board of Directors is the main management and representation body of the Company, and, consequently, it has the powers to act within the framework of the corporate purpose, and to carry out any legal act or transaction concerning the administration or disposal of the company, based on consideration or not, except for those acts that must be executed exclusively by the Shareholders' Meeting in accordance with the LCS or the Bylaws. In this sence, the Board of Directors sets forth the streategic guidelines and the planning of business and approves the annual budget and the organization goals for performance. When it comes to the annual budget, the Board of Directors approves the premises used and the investment details, as well as the consolidated production and other business volumes, income statements and cash flow statements, and approves the organization goals that are later applied by the Company management.

II.1.1. The policy on investments (in financial assets and capital goods), and financing,

Degree of compliance: Total

The Board of Directors sets forth and establishes the policies regarding investments in financial assets and financing, delegating the ordinary management of the Company business to certain managers appointed in accordance with Section 270 of LSC. Furthermore, the Board of Directors approves the investment budget and the annual financial budget, at the time of approval of the annual budget.

II.1.1.3 The policy on corporate governace (compliance with Code of Corporate Governance),

Degree of compliance: Total

The Board of Directors sets forth and approves the policy on corporate governance, which is suppoted by the current regulations regarding corporate governance issued by CNV, the Novo Mercado rules of BM&F BOVESPA and the other self regulated markets in which the Company quotes or offers securities.

II.1.1.4 Policy to select, assess and compensate senior managers

Degree of compliance: Total

The Board of Directors approves the Company human resources policies, and is also in charge of determining the selection, assessment and compensation of senior managers.

II.1.1.5 Policy to assign responsibilities to senior managers,

Degree of compliance: Total

The Board of Directors mainly acts as an administrative, supervisory and control body, and has delegated the ordinary management of the Company businesses to certain managers appointed in accordance with Section 270 of LSC, setting forth the responsibilities and roles in accordance with the position for which they have been appointed. Those managers depend directly from the Board of Directors, and are liable to the company and third parties for their performance in their position, in the same way and scope as the board members.

II.1.1.6 Monitoring of succession plans of senior managers,

Degree of compliance: Partial

In accordance with the above mentioned paragraph, the human resources managers are in charge of this monitoring.

II.1.1.7 Policy on corporate social responsibility,

Degree of compliance: Total

The Board of Directors establishes and sets forth the policies on corporate social responsibility; the main guidelines are as follows: (a) the corporate action is aimed at ensuring that the corporate governace be committed to ethics and disclosure in connection with the public of interest; (b) the sustainable development and investment, by means of which business and actions are conducted with social responsibility; and (c) human rights, diversity and commitment to the work forces, on which we seek to respect and support the internationally recognized human rights, the promotion of decent work (supporting the erradication of child, slave or degrading jobs) and the respect for human and cultural diversity of the work force, seeking to commit it to the Company social responsibility.

II.1.1.8 Policy on comprehensive risk management and internal control, and fraud prevension;

Degree of compliance: Total

The Board of Directors approves policies on risk management, internal control and fraud prevension.

When it comes to fraud prevension, the Company yearly prepares an Auditing Internal Plan, which is presented before the Auditing Committee.

Furthermore, the Auditing Committee receives, if any, information regarding any significant deficiencies or material weaknesses in the design or operation of the system of internal control on financial reports, that could be reasonable proven and that would affect the Company capacity to record, process, summarize and report financial information, as well as any fraud or possibility thereof involving the management or certain employees that play a significant role in the system of internal control on the Company financial reports.

II.1.1.9 Policy on ongoing training for the members of the Management Body and the senior managers;

Degree of compliance: Total

The board of directors, through the General Management, promotes and encourages the members thereof and the senior managers to continually undergo training, by offering them several programmes or instances of training at their executive levels, which can be performed within the Company or in different educational institutions.

Non executive staff participates in orientational and supporting activities, for the purposes of having better tools for decision making.

II.1.2 If deemed important, include other policies applied by the Management Body that have no been mentioned before, and specify the main aspects thereof.

There are no policies not mentioned that we consider important to be mentioned or explained in detail.

The issuer has a policy intended for ensuring the availability of material information for the Management Body's decision-making, and a direct consultation way for managerial staff, in a symmetric manner for all of its members (executive, external, and independent) and in advance, that allows the appropriate analysis of its contents. Specify.

Degree of compliance: Total

The Company ensures the availability of material information for the Management Body's decision-making. In this sense, article 7 of the Bylaws establishes that notice of call to Board meetings must be given in writting to all of the Board members and at least five days before the date of the meeting. Said notice must set forth the agenda and must enclose the documentation that may be deemed necessary to decide on the items of the agenda.

The Board of Directors is responsible for calling the Board meetings, as well as for the availability of information with regard to said meetings. The Company General Managing is responsible for making this information available for the Board members, in order that they can consult the material as they deem necessary according to the agenda, with the intervention of the other senior managers according to the agenda.

II.1.4 Matters submitted for the Management Body's consideration are accompanied by an analysis of the risks associated to the decisions that could be adopted, taking into consideration the business risk level considered acceptable by the issuer. Specify.

Degree of compliance: Total

Every matter submitted to the Board of Directors for consideration are accompanied by an analysis of the risks associated to the decisions that could be adopted. To do so, each responsible area issues, if necessary, an analysis and opinion within its scope of interest in order to analyse all of the risks associated to that decision, taking into consideration the risk level that the Company deems acceptable.

Recommendation II.2: Ensure an effective business management control.

The Management Body verifies:

II.2.1 Compliance with the annual budget and business plan,

Degree of compliance: Total

The Board of Directors has created a system to control budgetary slippages, in which it is directly involved or it is involved through senior managers, according to the amount of said slippages.

Regularly, or when there are budgetary slippages that require an analysis of the management body, the General Management shows, within this scope, the compliance with the annual budget.

Furthermore, the Management monthly shares and reviews the budgetary control report and the outlook, and if in such review there arise matters that should be treated by the Board of Directors Committe, they are submited for treatment.

The budgetary control is mainly focused on following the most important economic and financial variables and the operations of the Company that are followed monthly.

II.2.2 The senior managers' performance and their compliance with the goals assigned to them (the level of intended profits versus the level of profits achieved, financial rating, accounting reporting quality, market share, etc.)

Describe the most significcant aspects of the Issuers' Mnagement Control policy, providing details of the methods used and the frequency of the monitoring carried out by the Management Body.

Degree of compliance: Total

The Board of Directors, regularly, verifies the performance of senior managers.

Adicionally, at every Board meeting, the Chief Executive Officer (in charge of the General Management) drafts a report about the Company business, which provides the Board of Directors with pertinent information to assess the compliance with the objectives established for the senior managers.

c) Recommendation II.3: Report the Management Body's performance evaluation process and the related impact.

Each member of the Management Body complies with the Bylaws and, as the case may be, with the Regulations governing the Management Body's operation. Specify the main guidelines set out in the Regulations. State the degree of compliance of the Bylaws and Regulations.

Degree of compliance: Total

All of the Board members comply with the Bylaws. The Board of Directors follows no Regulations to work.

II.3.2 The Management Body discloses the results of its performance considering the goals set at the beginning of the period, so that the shareholders may assess the degree of compliance with such goals, which contemplate both financial and non-financial aspects. Additionally, the Management Body submits a diagnosis about the degree of compliance with the policies mentioned in Recommendation II, points II.1.1 and II.1.2.

Specify the main aspects covered by the assessment conducted by the General Shareholders' Meeting on the Management Body's compliance with the goals set and the policies mentioned in Recommendation II, points II.1.1 and II.1.2, mentioning the date of the Shareholders' Meeting where such assessment was disclosed.

i) Degree of compliance: Partial

The Board of Directors discloses the results of its performance in the Annual Report, which is analyzed and approved by the Shareholders' Meeting, when the issues set forth in Subsection 1 and 2 of Section 234 of the LSC are treated and resolved.

For this fiscal year, theBoard of Directors did not submit a diagnosis about the degree of compliance with the policies mentioned. However, it is making a diagnosis about the degree of compliance with the policies mentioned in recommendation II, points II.1.1 and II.1.2, but it is going to submit it with the report for the year ended as of December 31, 2013.

Recommendation II.4: That the number of external and independent members represents a significant proportion in the Issuer's Management Body.

a. II.4.1.the proportion of executive, external and independent members (the later defined by the regulations of this Commission) of the Management Body corresponds with the Issuer's capital structure. Specify.

Degree of compliance: Total

Article 7 of the Bylaws establishes that the Management of the Company is carried out by the Board of Directors, which consists of eight (8) office holdesrs and eight (8) substitute, of which at least two (2) office holders and two (2) substitutes must meet the independence requirements set forth by CNV regulations, and will hold office for three fiscal years.

The Board of Directors considers that the current number and composition of its members is related to the complexity of the Company decision-making processes and the magnitude of its operations. If such circumstances vary, and if the Board of Directors deems necessary, it could propose any modification to the Shareholders' Meeting, as it did in the past. Likewise, the Board of Directors considers that the current number of independent Directors is appropriate for the Company structure.

b. II.4.2During the current year, through a General Shareholders' Meeting, the shareholders agreed on a policy aimed at having a proportion of at least 20% of independent members of the total members of the Management Body.

Describe the most significant aspects of such policy and of any shareholders' agreement that allows understanding how the members of the Management Body are appointed and for how long. State whether the independence of the members of the Management Body has been challenged during the year and whether there have been abstentions due to conflicts of interests.

ii) Degree of compliance: Total

The Shareholders' Meeting appoints independent Directors and decides on their proportion out of the total number of Board members, within the framework of the bylaws dispositions and applicable regulations. The Company does not have a specific policy aimed at maintaining the proportion of Independent Directors of the total number of Board members. However, it is a customary practice that the number of independent members that are part of the Board of Directors is enough to make up the Auditing Committee.

On October 30, 2009, Federico N. Weil and PDG Realty S.A. Empreendimentos e Participaçoes ("PDG") entered into a shareholders agreement in connection with TGLT (hereinafter the "Shareholders' Agreement"), which will be in effect until the holding of any of TGLT shareholders is lower than 10% of the share capital and votes. Such Shareholders' Agreement states, among others, that three (3) office holder directors and three (3) substitute directors will be appointed by Mr. Weil, three (3) office holder directors and the related three (3) substitute directors will be appointed by PDG, and two (2) office holder directors and two (2) substitute directors will be independent.

During this year there were no challenges in connection with the independence of Board members and only once the independent Board member Alejandro Emilio Marchionna Faré abstained from voting due to a conflict of interests, when a decision was made on the compensations paid to independent board members.

Recommendation II.5: Agree on the existence of standards and procedures inherent to the selection and proposal of the members of the Management Body and senior managers.

a. II.5.1 The issuer has an Appointment Committee:

Degree of compliance: Non-compliance

The Company has not got an Appointment Committee and considers that it is no necessary due to the fact that the functions in charge of such Committee, within the scope set forth in current regulations, are effectively performed by the Board of Directors, with the support of senior managers.

b. II.5.2 If there is an Appointment Committee, it:

For the reasons mentioned in II.5.1, points II.5.1 and II.5.2.7 are not applicable.

c. II.5.3If considered important, include policies implemented by the Issuer's Appointment Committee that have not been mentioned in the preceeding point.

For the reasons mentioned in II.5.1, this point is not applicable.

Recommendation II.6: Assess whether it is advisable for members of the Management Body and/or Statutory auditors and/or members of the Supervisory Committee to perform duties at several Issuers.

iii) Degree of compliance: Non-compliance

The Board of Directors considers that, as long as it members and/or Statutory Auditors duly comply with all of their responsibilities, it is not necessary to set limits to participate in the Board of Directors or in the Supervisory Committee of other companies.

Recommendation II.7: Ensure the training and development of members of the Management Body and senior managers of the Issuer.

II.7.1 The Issuer has ongoing Training Programs related to the existing needs of the Issuer for the members of the Management Body and senior managers, which include matters about their roles and responsibilities, the comprehensive business risk management, specific business knowledge and related regulations, the dynamics of corporate governandce and corporate social responsibility matters. In the case of the members of the Audit Committee, international accounting, auditing and internal control standards, as well as specific capital market regulations.

d) Describe the programs carried out during the year and the degree of compliance therewith.

i) Degree of compliance: Partial

The General Management, under the directions of the Board of Directors, defines the training guidelines and strategies of first line managers and other employees, by offering several programmes or stages of training at their executive levels, which may be performed in-company or in different educational institutions.

The Company has not got an ongoing formal training program for Board members for the year 2012. However, the Board members have developed different training activities related to their management functions in TGLT. Furthermore, Board members are updated about subjects concerning politics, economy, regulations and any other relevant subjects, because such subjects receive special treatment in the Company quarterly meetings.

II.7.2 The Issuer, through other means not mentioned in II.7.1, encourages the members of the Management Body and senior managers to be constantly trained so as to supplement their education level, thus adding value to the Issuer. State how this is done.

Degree of compliance: Total

The Company consideres that the training activities mentioned in point II.7.1 are enough to encourage the members of the Management Body and senior managers to be constantly trained.

PRINCIPLE III: GUARANTEE AN EFFECTIVE POLICY TO IDENTIFY, ASSESS, MANAGE AND DISCLOSE THE BUSINESS RISK

Recommendation III. The Management Body shall have a policy on the comprehensive business risk management and monitors its appropiriate implementation.

III.1 The Issuer has policies on comprehensive business risk (on compliance with strategic, operating, financial, accounting, reporting, laws and regulations goals, among others). Describe the most significant aspects thereof.

Degree of compliance: Partial

Regularly, the Board of Directors analyses and assesses the Company risks, in accordance with the activities it carries out and the markets where such activities are carried out, in order to prevent difficulties and/or take advantage of opportunities. The Board of Directors has implemented an internal control system, which is designed to guarantee the achievement of the Company purposes, ensuring the efficacy and efficiency of operations, the reliability of the information and the compliance with laws, regulations and policies in general.

What is more, the risks are later disclosed and analyzed by the Auditing Committee in compliance with their Annual Performance Plan, focusing specially on: (a) regulatory issues that may have a substantial impact on the Company, (b) insurance policies and insurable risks coverages, (c) the allocation of responsibilities in environmental issues and its remedies, (d) issues of which controversial interpretation may arise, and that may have a substantial impact on the Company, and (e) the update of polices related to exchange risks and their application.

III.2 There is a Risk Management Comité inside the Management Body or the General Management. Report on the existence of manuals of procedures and detail the main risk factors that are specific to the Issuer or its activity and the mitigating actions implemented. If there is not such a Committee, the risk management supervision role performed by the Auditing Committee shall be described.

Also, specify the degree of interaction between the Management Body or its Committees with the Issuer's General Management in relation to the comprehensive business risk management.

Degree of compliance: Partial
Recommendation III.1 applies.
To this date, the Company has not got a manual of procedures regarding business risk management. The Company will analyze the posibility of drafting a manual of procedures on business risk management in the future.

III.3 There is an independent function within the Issuer's General Management that implements the comprehensive risk management policies (Risk Management Officer function or its equivalent). Specify.

Degree of compliance: Non-compliance
There is no independent function of a Risk Management Officer or an equivalent thereof. The Company will analyze the possibility of creating such function in the future.

III.4 Comprehensive risk management policies are permanently updated according to authoritative recommendations and methodologies in the field. State which (Enterprise Risk Management, pursuant to the conceptual framework of COSO – Committee of sponsoring organizations of the Treadway Commission-, ISO 31000, IRAM regulation 17551, Section 404 of the Sarbane-Oxley Act, among others).

Degree of compliance: Partial
The Company has implemented its own policies on comprehensive risk management and updates according to its needs, experience and new challenges and undertakings that has and acquires, which has been effective to this date.

III.5 The Management Body reports the results of monitoring the risk management performed jointly with the General Management in the Financial Statements and in the Annual Report. Specify the main aspects of the above disclosure.

Degree of compliance: Total
The note "Risks – financial risk management" of the Company Financial Statements discloses the information related to the market, liquidity and credit risks to which the Company is exposed, which are originated within the Company; and its strategies to mitigate such risks.
Market risks refer to the risk of increasing construction costs, risk of demand of the Company productos, risk of suppliers contract default to which the Company outsources the construction of its undertakings. Credit risks refer to the risk related to the sale of the Company products, credit risk related to financial instruments and cash deposit, and liquidity risks.

a. PRINCIPLE IV: SAFEGUARD THE INTEGRITY OF FINANCIAL INFORMATION WITH INDEPENDENT AUDITS

Recommendation IV: Ensure the independence and transparency of the duties the Auditing Committee and the External Auditor are entrusted with.

IV. 1 The Management Body, when appointing the members of the Auditing Committee, considering that most of them shall be independent, assesses whether it is advisable to be chaired by an independent member.

ii) Degree of compliance: Total

In accordance with the dispositions set forth in the Disclosure Regime and the Bylaws, the Company has an Auditing Committee that consists of three (3) holder office Board Members and equal or less substitutes, who will be appointed by the Board of Directors from the members thereof by the majority vote of its members. Most of its members are independent, in accordance with the criteria set forth in CNV regulations for that purposes. Members of the Auditting Committee are those Board members that have knowledge on financial, accounting or business matters.

When appointing the members of the Auditting Committee, even though the Board of Directors assesses the convenience of an independent member to preside such Committee, the appointment of the President and Vicepresident of the Auditting Committee is performed by its members. Currently, an independent director presides the Auditing Committee.

IV. 2 There is an internal audit function that reports to the Audit Committee or the Management Body's Chairperson and that is responsible for assessing the internal control system. State whether the Auditing Committee or the Management Body annually assesses the performance of the internal audit area and the degree of independence of its professional work, understanding as such that the professionals in charge of such function are independent from the other operating areas and meet independence requirements with respect to the controlling shareholders or related entities that have a material influence on the Issuer.

Also specify whether the internal audit function performs its work in conformity with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA).

iii) Degree of compliance: Partial

The Company has a person responsible for the internal auditing area, which main functions are: to assess the efficacy and efficiency of the Company internal controls, to monitor the fulfillment of the Company policies and procedures, and to contribute to the permanent improvement of the processes concerning risk management and control. Said responsible person meets regularly the Auditing Committee, which –as done since its formation on the second semester of 2012- has assessed and supervised the functioning of the internal audit systems, giving their opinion when the annual financial statements were presented. With the functioning of the internal auditing, all of the International Auditing Standards will be complied with during the year 2013.

IV.3 the members of the Auditing Committee annually assess the suitability, independence and performance of the External Auditors appointed by the Shareholders' Meeting. Describe the significant aspects of the procedures used to perform the assessment.

iv) Degree of compliance: Total

The Auditing Committee meets quarterly with the External Auditors, for the Auditors to present the results of their work on the Company Financial Statements. Annually, the members of the Committee assess their performance, as well as the independence of the auditors, and ask questions in relation to the aspects they consider significant.

It should be pointed out that, any time the Board of Directors makes a proposal about the designation of External Auditors in order to submit such proposal before the Shareholders' Meeting, the Auditing Committee issues a report on said proposal, in accordance with the dispositions set forth in current regulations.

Additionally, in an exhibit within their Annual Management Report, the Auditing Committee reports whether it has knowledge of any significant question that has to be mentioned related to the External Auditors appointed by the Shareholders' Meeting for the year, in connection with the independence of their performance; and gives its opinion about the planning and performance of the external auditing during the year.

IV.4 The Issuer has a policy on the turnover of the members of the Supervisory Committee and/or the External Auditor; in the case of the latter, if turnover includes the external audit firm or only natural persons.

Degree of compliance: Partial

With regard to the turnover of the members of the Supervisory Committee, article 10 of the Bylaws establishes that said members hold office for three (3) years and may be indefinitely reelected.

With regard to the turnover of the External auditors, the Company complies with the dispositions set forth in applicable Standards, and it is mandatory that the partner in charge of the external audit turnover every five (5) years. This obligation does not involve the auditing firm itself.

a. PRINCIPLE V: RESPECT THE SHAREHOLDERS' RIGHTS

e) Recommendation V.1: Ensure that the shareholders have access to the Issuer's information.

V.1.1 The Management Body fosters periodic informative meetings with the shareholders, which take place at the same time of the presentation of the interim financial statements. Specify stating the number and frequency of meetings held in the course of the year.

Degree of compliance: Total

The company complies with the regular informative regimes established by the Standards and Regulations of the Bolsa de Comercio de Buenos Aires (Buenos Aires Stock Exchange, "BCBA"). Through these means the Company publishes all the information that it considers significant for its shareholders to be informed. Regardless of the information that must be published for the BCBA and the CNV within the framework of informative and legal requirements, the Company discloses all the information it deems significant to its shareholders in a transparent and accurate way.

With the presentation of the interim and annual financial statements the Company holds call conferences with the investors, through which it discloses the results and other information arising from the financial statements.

As a complement, the Company has an Investor Relations Management, which is frequently in contact with shareholders for the purposes of providing information about the financial statement, and permanently available to shareholders in case a significant event arises.

V.1.2 The Issuer has mechanisms for reporting to investors and a specialized area to answer inquiries. It also has a website, which may be accessed by shareholders and other investors and which allows an access channel for them to establish contact between them. Specify.

Degree of compliance: Total

As mentioned in Recommendation V.1.1. above, the Company complies with the regular informative regimes established by the Standards and the Regulations of BCBA. Through these means the Company publishes all the information that it considers significant for the shareholders to be informed. At the same time, the Company currently has an Investor Relations Management, which is in charge of answering investors' questions and inquiries. On quarterly basis, the Company issues press releases, in which it reports the results of the management, among others, to inform shareholders, in general, and the corporate organs of authority and control.

On the other hand, the company has its own website (www.tglt.com) that includes a section, which is updated regularly ("Investors"), exclusively devoted to investors. There they can find, among others, information about the share capital structure, composition of the Board of Directors, Management, Auditing Committee and Supervisory Committee, press releases, quarterly and annual reports, presentations, analyst coverage and risk factors.

f) Recommendation V.2: Encourage the active participation of all shareholders.

V.2.1 The Management Body takes measures to encourage the participation of all the shareholders at the General Shareholders' Meetings. Specify by differentiating the measures required by law from those voluntarily offered by the Issuer to its shareholders.

Degree of compliance: Total
The Board of Directors takes all of the legally required measures to encourage the attendance and participation of all the shareholders at the General Shareholders' Meetings, in order to ensure the exercise of their rights.
The Board of Directors, through the Investor Relations Management, helps the shareholders in all that is necessary for them to participate at the Shareholders' Meetings, for instance, in the ways in which they obtain proof of the account balance in order to attend the meetings, or the way in which they communicate their attendance to the Meeting.

V.2.2 The General Shareholders' Meeting has regulations to govern its operations, which ensure that the information is available well in advance for decision-making. Describe the main guidelines thereof.

Degree of compliance: Non-compliance
The Company considers that a regulation governing Shareholders' Meetings operations is not necessary, as it fully complies with the legal requirements established for the meeting to take place. Furthermore, it makes available to the Shareholders all of the information that is required by law in the terms so established.

V.2.3 the mechanisms implemented by the Issuer are applicable so that the minority shareholders propose matters to be discussed at the General Shareholders' Meeting, in conformity with the provisions set out in effective regulations. Specify the results.

Degree of compliance: Total
There is no statutory or real impediment for minority shareholders to propose matters to be discussed at the Shareholders' Meetings. However, to this date, no minority shareholder has proposed any matter to be discussed, in conformity with effective regulations.

V.2.4 The Issuer has policies to encourage the participation of the most significant shareholders, such as institutional investors. Specify.

Degree of compliance: Non-compliance
The Company understands that it is not necessary to have additional policies to encourage the most significant shareholders, as it complies with all of the legal measures that are required to call to all of the shareholders equally; and it assists all of the shareholders that need its help to participate at the Shareholders' Meetings equally, as mentioned in Recommendation V.2.1.

V.2.5 At the Shareholders' Meeting, where members of the Management Body are proposed, the following is informed, prior to voting: (i) each candidate's position regarding whether to adopt or not the Code on Corporate Governance; and (ii) the grounds for such opposition.

Degree of compliance: Non-compliance
Currently, the Company does not disclose in advance the candidate's position regarding whether or not they adopt the Code of Corporate Governance. The possibility of incorporating such recommendation in the future will be analyzed.

g) Recommendation V.3: Ensure the principle of equity between share and vote.

The Issuer has a policy that promotes the principle of equity between share and vote. State how the composition of outstanding shares has been changing during the last three years.

i) Degree of compliance: Total

The Company promotes the principle of equity between share and vote, in accordance with article 5 of the Bylaws, where it sets forth that all of the Company shares are ordinary shares carrying one vote each, with a par value of one Argentine peso (p/v $1) each. It should be noticed that, although the Bylaws contemplates the possibility of issuing preferred shares, with or without voting rights, that option has not been exercised to this date.

The composition of outstanding shares has not changed during the last three years.

h) Recommendation V.4: Establish mechanisms of protection for all shareholders against takeovers.

The issuer adheres to the system for the mandatory acquisition of shares in public offering. Otherwise, specify whether there are other alternative systems, provided for by the Bylaws, such as tag along or others.

i) Degree of compliance: Total

The Company is a "Company not adhered to the Statutory System for the Optional Acquisition of Shares in Public Offering" within the scope of Section 24 of Decree No. 677/2001. The system set forth in the CNV regulations was an adhesion system that could be modified depending on the particular needs of the corporations.

For that reason, the Company established in Article 14 of its Bylaws a system which is similar to the Statutory System for the Optional Acquisition of Shares in Public Offering as established in Section 24 of Decree No. 677/2001 for the cases of acquisition of a "significant share", which is explained as a share representing more than the 40 (forty) per cent of the share capital with voting rights and/or the votes of the Company.

Regardless of what has been mentioned before, in accordance with Section 90 of LMC, the System for the Mandatory Acquisition of Shares in Public Offering involves all public companies, even those that, under the previous system, had opted for not applying this or for a different system, as in the case of the Company.

i) Recommendation V.5: Increase the percentage of outstanding shares on capital.

Ownership of at least 20% of the Issuer's ordinary shares is dispersed. Otherwise, the issuer has a policy in place to increase dispersed ownership in the market.

Specify the percentage of dispersed ownership as a percentage of the Issuer's share capital and its evolution over the last three years.

i) Degree of compliance: Total

Currently, the two majority shareholders have a share of 47% of the share capital, whereas the remaining percentage (53%) is listed in the BCBA, in the Stock Exchange of Sao Pablo, Brazil ("BM&FBOVESPA") as Brazilian Depositary Receipts ("BDRs") level II, and are negotiated in the United States of America over the counter, as American Depositary Receipts ("ADRs").

Ownership dispersion has not significantly changed since the Company IPO in November, 2010.

j) Recommendation V.6: Ensure that there is a transparent policy on dividends.

V.6.1 The issuer has a policy on the distribution of dividends provided for in the Bylaws and approved by the Shareholders' Meeting. Such policy establishes the conditions to distribute cash dividends or shares. If there is such a policy, state the criteria, frequency and conditions that shall be met for the payment of dividends.

Degree of compliance: Partial
The Company Board of Directors establishes and files a motion with the Shareholders' Meeting regarding the convenience, timing and amount of dividends, as well as, if applicable, the capitalization of annual profits, when submitting its proposal for the distribution of profits/losses to the shareholder's meeting, in light of how the business and commitments undertaken by the Company have progressed and are being projected into the future. All capital shares of the company rank pari passu in terms of dividend payments.
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.
The Company explains its dividend policies as a section in the Annual Report, this Code being part thereof as an Exhibit, and as a note to the financial statements.

V.6.2 The issuer has documented processes to prepare the proposal for allocation of the Issuer's Unappropriated Retained Earnings that result in legal, statutory and voluntary reserves, carry forwards to new fiscal year and/or payment of dividends.

Specify those processes and detail the minutes of the General Shareholders' Meeting whereby the distribution of dividends (in cash or shares) was or was not approved, if this is not provided in the Corporate Bylaws.

i) Degree of compliance: Non-compliance

Recommendation V.6.2 applies.

The Company will analyze the possibility of establishing documented processes to prepare the proposal for allocation of the Company Unappropriated Retained Earnings that result in legal, statutory and voluntary reserves, carry forwards to new fiscal year and/or payment of dividends en the future.

a. PRINCIPLE VI: KEEP A DIRECT AND RESPONSIBLE RELATION WITH THE COMMUNITY

Recommendation VI: Provide the community with the disclosure of matters relating to the Issuer and a channel of direct communication with the Company.

VI.1 The Issuer has an updated website of public access, which does not only furnish material information of the Company (Corporate Bylaws, group, members of the Management Body, financial statements, Annual Report, among others), but it also gathers inquiries of users in general.

Degree of compliance: Total
The Company has a website (www.tglt.com) of public access, which provides updated, enough and differentiated information for all interested people, whether shareholders, potential investors, customers, or the general public, to easily have access to the information furnished therein. Additionally, this website gives its users the possibility to

express their inquiries and/or comments on different matters through IR Contact, which have been taken into account and analyzed by the Company.

The Company guarantees that the information that is disclosed by electronic means meets the highest standards of confidentiality and integrity, and tends to keep and record information.

VI.2 The Issuer issues an annual Corporate Social Responsibility Report, which is verified by an independent External Auditor. If any, state the legal or geographic scope or coverage thereof and where it is available. Specify the standards or initiatives adopted to carry out its policy on corporate social responsibility (Global Reporting Initiative and/or the Global United Nations Compact, ISO 26000, SA8000, Development Goals for the Millennium, SGE 21-Foretica, AA 1000, Ecuadorian Principles, among others).

Degree of compliance: Non-compliance

Currently, the Company does not issue a corporate social and environmental responsibility report. The possibility of issuing a report having similar characteristics, its term of issuance, and whether it will be verified by an independent external auditor or not will be analyzed in the future.

b. PRINCIPLE VII: COMPENSATE FAIRLY AND RESPONSIBLY

Recommendation VII: Establish clear policies on the compensation of the members of the Management Body and senior managers, with special focus on establishing conventional or statutory limitations based on the existence or inexistence of profits.

II.5.1 The issuer has a Compensation Committee:

Degree of compliance: Non-compliance

Currently, the Company has not got a Compensation Committee. The convenience of creating a Compensation Committee and the functions thereof in accordance with this Recommendation will be analyzed in the future.

For the reasons mentioned in VII.1, points VII.1.1 and VII.1.5 are not applicable.

VII.2 If there is a Compensation Committee, it:

For the reasons mentioned in VII.1, points VII.2.1 and VII.2.7 are not applicable.

VII.5.3 If considered important, include policies implemented by the Issuer's Compensation Committee that have not been mentioned in the preceding point.

For the reasons mentioned in VII.1, this point is not applicable.

VII.4 If there is no Compensation Committee, explain how the duties described in VII. 2 are carried out within the Management Body.

The Board of Directors, directly with respect to its members, and through the Human Resources Management with respect to the senior managers and key employees, ensures that there is a clear relation between the performance of such key employee and its fixed and variable compensation (which is related to the Company profits), considering the assumed risks and its administration.

Regularly, the Board of Directors, through the Human Resources Management, revises the Company position related to what the market establishes as compensations and benefits for businesses that are the comparable or develop the same activity, and recommends changes or not.

The Board of Directors defines and communicates, directly with respect to its members, and through the Human Resources Management with respect to senior managers and key employees, the politics of hiring, promotion, removal, dismiss and suspension (as the case may be).

Furthermore, the Board of Directors informs the guidelines to determine the retirement plans of the Board members and senior managers of the Issuer, regularly reports to the Administrative Body and the Shareholders' Meeting about the actions carried out and the issues analyzed in the Board meetings, and explains at the Shareholders' Meeting the compensation schedules of board members and senior management in case the Shareholders so ask.

c. PRINCIPLE VIII: ENCOURAGE BUSINESS ETHICS

k) Recommendation VIII: Ensure the Issuer's ethical behaviours.

VIII.1 The Issuer has a Business Code of Conduct. State the main guidelines and whether it is publicly known. Such Code is signed by, at least, the members of the Management Body and senior managers. Indicate whether its application to suppliers and customers is encouraged.

Degree of compliance: Partial

During the year 2012 the Company drafted the "TGLT Code of Business Conduct and Ethics" that establishes the guidelines and standards of integrity and transparency, which the Company Board members and employees, and the

Subsidiaries Board members and its employees must comply with. In this sense, it is considered as accepted by all of its recipients by means of a declaration of knowledge and commitment.

As of the date of this report, the "TGLT Code of Business Conduct and Ethics" has been reported to all of its recipients in order to become effective.

TGLT Code of Business Conduct and Ethics is supported on honesty, dignity, respect, loyalty, dedication, efficacy, transparency, and consciousness in order to guide the behaviours of the persons to which it applies. In this way, we pursue to increase our levels of competitiveness, profitability and social responsibility, the latter includes appreciating the employees, health, security, environment, and contributing to the regions in which the Company operates its business.

The Company will encourage the extensive application of the TGLT Code of Business Conduct and Ethics to suppliers and customers.

VIII.2 The Issuer has mechanisms to receive any unlawful or unethical behavior reporting, either personally or electronically, ensuring that the information furnished is aligned with the highest confidentiality and integrity standards, as well as the record and conservation of the information. State whether the service to receive and assess reporting is rendered by the Issuer's personnel or by external and independent professionals for further protection of those who report those events.

Degree of compliance: Total

The person in charge of the internal auditing and the application coordinator are in charge of receiving reports regarding any unlawful or unethical behavior reporting, either personally or electronically, ensuring that the information furnished is aligned with the highest degree of confidentiality and integrity standards.

VIII.3 The Issuer has policies, processes and systems to manage and solve the reporting mentioned in point VIII.2. Make a description of the most significant aspects thereof and indicate the Auditing Committee degree of involvement in such solutions, particularly in that reporting associated with internal control matters for accounting reporting and as regards the behaviors of the members of the Management Body and senior managers.

Degree of compliance: Total

The Company has policies, processes and systems to manage and solve the reporting mentioned in the previous point. Said policies, processes and systems respect the following basic principles: (i) Integrity: acting independently and in a non-biased way; (ii) Confidentiality: preserving the privacy and respect of people, the information and the documents originated by the matter subject to revision, (iii) Equality: encouraging inclusion and access to the reporting system for everybody; and (iv) Cooperation: encouraging cooperation, empathy and participation aimed at solving differences or controversial points of view.

Furthermore, these policies pursue the correct referral of the matters to those levels with powers to investigate and make decisions, with guarantees that all the resources to find the most fair and appropriate solution will be exhausted.

With regard to the involvement of the Auditing Committee, it should be noticed that every reporting directed to it, either directly, or anonymously, are sent to it, whether they are related to accounting, auditing and internal control matters, or related to conflicts of interests that are considered significant, or involve external auditors, the Company management and "related parties", as defined in Section 72 of the LMC. The Committee treats these reports and submits them to the Board of Directors and/or the Supervisory Committee for treatment, and said Bodies act in compliance with the dispositions established by applicable regulations for events involving conflict of interests, breach of legislation, the Bylaws and/or third parties rights.

a. PRINCIPLE IX: BROADEN THE SCOPE OF THE CODE

I) Recommendation IX: Foster the inclusion of provisions related to good corporate governance practices in the Bylaws.

i) Degree of compliance: Partial

The Bylaws complies with the requirements of the LSC and the Standards and the Listing Regulations of the BCBA and includes provisions with regard to the integration and functioning of the Board of Directors, Auditing Committee and Supervisory Committee, as well as mechanism for shareholder protections against takeovers, but it does not include other provisions for the good corporate governance practices, in accordance with the above mentioned recommendations.

However, The Board of directors may, in the future, consider the convenience and opportunity of including other dispositions for the furtherance of good corporate governance practices.

TGLT

CONSOLIDATED FINANCIAL STATEMENTS

TGLT S.A.

AS TO DECEMBER 31, 2012

(Presented comparatively 2011 and 2010)

TGLT

TGLT S.A.

Place of Business: Av. Scalabrini Ortiz 3333 – 1st Floor

City of Buenos Aires, Argentina

FISCAL YEAR NO. 8 STARTED ON JANUARY 1, 2012

FINANCIAL STATEMENTS AS TO DECEMBER 31, 2012

TGLT GROUP, PRESENTED COMPARATIVELY– SEE NOTE 3.1.

(figures expressed in Argentine pesos – See Note 4.3.)

Company core business: Management of real state projects and undertakings, urban developments; planning, evaluation, scheduling, formulation, development, implementation, administration, coordination, supervision, handling, organization, direction and performance in the management of businesses concerning real estate; exploitation of trademarks, patents, methods, formulas, licenses, technologies, know-how, models and designs; every form of commercialization.

Date of registration with Inspección General de Justicia (registry of business organizations for the City of Buenos Aires):

Bylaws: June 13, 2005

Last amendment: April 26, 2012 (Note 35 to the individual condensed financial statements)

Date of registration with Inspección General de Justicia (registry of business organizations for the City of Buenos Aires): 1.754.929

Bylaws maturity date: June 12, 2014

C.U.I.T. (taxpayer identification number): 30-70928253-7

Information about controlled companies: See Note 4.2 to the consolidated financial statements.

Information about controlling parties: See Note 4.2 to the consolidated financial statements..

Share capital contributions
(figures in Argentine Pesos)

Shares	Issued, subscribed and paid-in share capital	Registered
Ordinary, book-entry shares, carrying one vote each with a par value of (P.V.) ARS 1	70.349.485	22.350.000
	70.349.485	22.350.000

Signed for identification purposes
With our limited revision report date don March 8, 2013
Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 1 Page 68

By Supervisory Committee

Ignacio Fabián Gajst
Statutory Auditor

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 245 Page 74

Federico Nicolás Weil
President

TGLT S.A.

CONSOLIDATED BALANCE SHEET

AS TO DECEMBER 31 2012, 2011 AND 2010

(figures expressed in Argentine pesos)

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
ASSETS				
Current assets				
Cash and cash equivalents	6	87.850.663	77.047.456	177.959.331
Trade receivables	7	5.658.146	8.472.404	-
Other receivables	8	129.094.273	100.797.233	23.479.981
Credits with related parties	32	7.910.630	8.042.419	630.437
Inventaries	9	1.207.997.918	824.657.480	509.034.131
Total current assets		1.438.511.630	1.019.016.992	711.103.880
Non-current assets				
Other receivables	8	3.811.495	953.122	446.305
Property, plant and equipment	10	7.792.607	3.370.290	1.873.577
Intangible assets	11	795.568	766.345	227.133
Tax assets	12	103.385.614	43.618.505	19.174.686
Capital gain	13	111.445.604	143.540.998	132.982.013
Total non-current assets		227.230.888	192.249.260	154.703.714
Total assets		**1.665.742.518**	**1.211.266.252**	**865.807.594**
LIABILITIES				
Current Liabilities				
Trade debts	14	123.570.565	48.741.518	22.876.316
Loans	15	115.132.019	16.542.660	278.821
Employees' benefits	16	2.607.784	2.141.143	796.871
Current tax liabilities	17	4.901.152	4.288.299	3.813.884
Other tax burdens	18	3.623.194	2.745.001	3.028.139
Outstanding sums with related parties	32	148.386.430	111.554.620	36.810.892
Advanced Payments of clients	19	839.380.770	411.229.659	190.910.277
Other accounts payable	20	970.873	25.216.707	-
Total current Liabilities		1.238.572.787	622.459.607	258.515.200
Non-current liabilities				
Trade debts	14	506.742	-	-
Loans	15	43.724.152	33.515.044	12.000.000
Other tax burdens	18	304.977	374.639	406.420
Deferred tax liabilities	29	62.541.337	81.140.181	63.008.053
Total non-current liabilities		107.077.208	115.029.864	75.414.473
Total liabilities		**1.345.649.995**	**737.489.471**	**333.929.673**
SHAREHOLDERS' EQUITY				
Issued capital		70.349.485	70.349.485	70.349.485
Other components allocated to the controlling company		247.970.648	375.074.172	428.142.467
Allocated to the controlling owners		318.320.133	445.423.657	498.491.952
Allocated to the non-controlling share		1.772.390	28.353.124	33.385.969
Total shareholders' equity		**320.092.523**	**473.776.781**	**531.877.921**
Total liabilities and shareholders' equity		**1.665.742.518**	**1.211.266.252**	**865.807.594**

Notes 1 to 47 enclosed hereto are part of these financial statements.

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TGLT

TGLT S.A.

STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD

FOR THE PERIODS ENDED ON DECEMBER 31, 2012 AND 2011

(figures expressed in Argentine pesos)

	Notes	Dec31, 2012	Dec31, 2011
Income for ordinary activities	23	72.617.721	15.151.423
Expenses due to ordinary activities	24	(145.518.450)	(24.959.940)
Gross income		**(72.900.729)**	**(9.808.517)**
Commercialisation expenses	25	(24.535.157)	(14.741.392)
Management expenses	26	(29.997.308)	(11.055.019)
Other operating expenses	40	(32.095.394)	-
Operating income		**(159.528.588)**	**(35.604.928)**
Other expenses	11	(545.841)	(70.422)
Financial results:			
Exchange difference	27	(67.508.207)	(21.538.717)
Financial income	27	23.218.611	7.820.611
Financial costs	27	(11.185.937)	(1.472.108)
Other financial costs	27	(7.511.585)	(3.917.014)
Other income	28	926.484	1.724.073
Income for the period before Income Tax		**(222.135.063)**	**(53.058.505)**
Income Tax	29	67.117.862	13.652.640
Income for the period		**(155.017.201)**	**(39.405.865)**
Other comprehensive income that will be reclassified in gaining or loss			
Difference for the conversion of a net investment abroad		(505.907)	-
Total of other comprehensive income		**(505.907)**	**-**
Total comprehensive income for the period		**(155.523.108)**	**(39.405.865)**
Gain (Loss) for the period attributable to:			
Controlling owners		(142.481.430)	(45.241.815)
Non-controlling shares		(12.535.771)	5.835.950
Total gain (loss) for the period		**(155.017.201)**	**(39.405.865)**
Income by share attributable to controlling owners			
Base	41	**(2,03)**	**(0,64)**
Diluted	41	**(2,03)**	**(0,64)**
Total comprehensive income for the period attributable to:			
Controlling owners		(142.987.337)	(45.241.815)
Non-controlling shares		(12.535.771)	5.835.950
Total gain (loss) for the period		**(155.523.108)**	**(39.405.865)**

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TGLT S.A.

CONSOLIDATED STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED ON DECEMBER 31, 2012

(figures expressed in Argentine pesos)

	Share capital				Reserves				Results	Shareholders' equity allocated to:		
Concept	Share capital	Premiums of issuance	Capital Contribution	Total	Transactions between Shareholders	Diff for conversion of net investment abroad	Statutory reserve	Special reserve (See Note 46)	Retained earnings	Controlling owners	Non-controlling shares	Totals
Balances as to January 1, 2012	70.349.485	378.208.774	(1) 5.923.463	454.481.722	(2) (13.749.943)	-	4.000	46.257.485	(41.569.607)	445.423.657	28.353.124	473.776.781
Acquisition of non-controlling shares	-	-	(3) 15.883.813	15.883.813	-	-	-	-	-	15.883.813	(14.044.963)	1.838.850
Income for the period	-	-	-	-	-	-	-	-	(142.481.430)	(142.481.430)	(12.535.771)	(155.017.201)
Other comprehensive result for the period, net before Income Tax.	-	-	-	-	-	(505.907)	-	-	-	(505.907)	-	(505.907)
Total comprehensive Income for the period	-	-	-	-	-	(505.907)	-	-	(142.481.430)	(142.987.337)	(12.535.771)	(155.523.108)
Balances as to December 31, 2012	70.349.485	378.208.774	21.807.276	470.365.535	(13.749.943)	(505.907)	4.000	46.257.485	(184.051.037)	318.320.133	1.772.390	320.092.523

(1) Corresponds to the gain of ARS 5,923,463 originated on the sale of Canfot S.A shares during the third quarter of 2011.

(2) Corresponds to the loss of ARS 13,749,943 due to the purchase of Canfot S.A shares that were not owned by the company during the second quarter of 2011.

(3) Corresponds to the purchase of shares of Maltería del Puerto S.A. during the fourth quarter of 2012-

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TGLT S.A.

CONSOLIDATED STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED ON DECEMBER 31, 2011

(figures expressed in Argentine pesos)

	Share capital				Reserves				Results	Shareholders' equity allocated to:		
Concept	Share capital	Premiums of issuance	Capital Contribution	Total	Transactions between Shareholders	Diff for conversion of net investment abroad	Statutory reserve	Special reserve (See Note 46)	Retained earnings	Controlling owners	Non-controlling shares	Totals
Balances as to January 1, 2012	70.349.485	378.208.774	-	448.558.259	-	-	4.000	69.820.155	(19.890.462)	498.491.952	33.385.969	531.877.921
Acquisition of non-controlling shares	-	-	-	-	(2) (13.749.943)	-	-	-	-	(13.749.943)	(17.074.771)	(30.824.714)
Sale of non-controlling shares	-	-	(1) 5.923.463	5.923.463	-	-	-	-	-	5.923.463	6.205.976	12.129.439
Resultado del ejercicio	-	-	-	-	-	-	-	(23.562.670)	(21.679.145)	(45.241.815)	5.835.950	(39.405.865)
Other comprehensive result for the period, net before Income Tax.	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive Income for the period	-	-	-	-	-	-	-	(23.562.670)	(21.679.145)	(45.241.815)	5.835.950	(39.405.865)
Balances as to December 31, 2012	70.349.485	378.208.774	5.923.463	454.481.722	(13.749.943)	-	4.000	46.257.485	(41.569.607)	445.423.657	28.353.124	473.776.781

(1) Corresponds to the gain of ARS 5,923,463 originated by the sale of shares of Canfot S.A. during the third quarter of 2011.

(2) Corresponds to the loss of ARS 13,749,943 originated by the purchase of shares of Canfot S.A. not owned by the Company during the second quarter of 2011.

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TGLT

TGLT S.A.

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE PERIODS ENDED ON DECEMBER 31, 2012 AND 2011

(figures expressed in Argentine pesos)

	Dec31, 2012	Dec31, 2011
Operating activities		
Total comprehensive income for the period	(155.523.108)	(39.405.865)
Adjustments to obtain the cash flow provided by operating activities		
Income Tax	(67.117.862)	(13.652.640)
Depreciations of Property, plant and equipments	2.148.565	2.380.629
Amortizations of Intangible assets	545.841	70.422
Impairment of capital gain	32.095.394	-
Net unpaid exchange differences	9.436.197	(41.794.902)
Changes in operating assets and liabilities		
Trade receivables	3.201.298	(7.759.369)
Other receivables	(26.055.765)	(75.384.131)
Credits with related parties	259.109	(6.961.904)
Inventaries	(383.340.438)	(315.623.349)
Tax assets	(59.767.109)	(10.791.179)
Trade debts	75.015.719	26.054.023
Employees' benefits	466.641	1.344.272
Tax liabilities	52.280.195	19.872.429
Other tax burdens	806.431	(313.681)
Outstanding sums with related parties	28.207.778	79.831.390
Advanced Payments of clients	437.051.111	254.870.139
Other accounts payable	(24.381.948)	27.338.937
Assumed minimum income tax	(3.148.324)	(1.265.886)
Net cash flow used in operating activities	**(77.820.275)**	**(101.190.665)**
Investment activities		
Acquisition of non-controlling shares	-	(10.558.985)
Payments for the purchase of property, plant and equipment	(6.570.880)	(3.877.342)
Payments for the purchase of intangible assets	(575.064)	(609.634)
Flujo neto de efectivo utilizado en las actividades de inversión	**(7.145.944)**	**(15.045.961)**
Financing activities		
Acquisition of non-controlling shares	15.883.813	5.923.463
Decrease in non-controlling variations	(14.044.963)	(10.868.795)
Payments for the purchase of controlled companies	-	(13.749.943)
Loan increases	104.962.456	40.041.900
Net cash flow provided by financing activities	**106.801.306**	**21.346.625**
Net increase in cash and cash equivalents	21.835.087	(94.890.001)
Cash and cash equivalents at the beginning of the commercial year	77.047.456	177.959.331
Effects of the variations of the exchange rate on cash and cash equivalents kept in foreign currency	(11.031.880)	(6.021.874)
Cash and cash equivalents as to the close of the year (See Note 6)	**87.850.663**	**77.047.456**

Notes 1 to 47 enclosed hereto are part of these financial statements.

Signed for identification purposes
with our limited revision report dated on March 8, 2012
Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 1 Page 68

By Supervisory Committee

Ignacio Fabián Gajst
Statutory Auditor

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 245 Page 74

Federico Nicolás Weil
President

Note 1. Information about the Company

1.1. Introduction

TGLT S.A. (hereinafter "the Company", "TGLT" or "the Corporation" indistinctible) is a company limited by shares, incorporated under the Laws of the Argentine Republic dedicated to residential real estate development that operates in the main urban centres in Argentina and Uruguay. TGLT was founded in 2005 by Federico Weil, and in 2007 associated to PDG Realty S.A. Empreendimentos e Participações (hereinafter "PDG"), one of the main real state developers in Latin America and currently majority shareholder of the Corporation. Being initially focused on undertakings for high income segments of society, TGLT is gradually extending its offer of products to medium-high and medium income segments.

TGLT is the leader developer in the Argentine residential market, and aims to be so also in Uruguay. It is currently developing 8 projects in highly demanded urban areas in Argentina and Uruguay, which are at the stage of product design and approval obtention, pre-construction and construction, totaling about saleable 530,000 m2 and USD 1,300 millions of potencial sale value ("PSV").

TGLT controls and participates in every aspect of the development process, since land adcquisition to the management of construction, from product design to marketing and commercialization, ensuring an strict control of the working capital at every stage. Together with the development of unique products for each segment and location, it standardizes processes for the production of new dwellings so as to reach a high growth rate.

On November, 2010, the Company made the Initial Public Offering ("IPO") of its shares in Argentina and abroad. As a result of the placement, 47,999,485 new shares were issued for the price of ARS 9.034 per share. The payment of new shares was effected in cash by means of the capitalizations of debtors resulting from liabilities assumed by the Corporation owing to the acquisition of shares in other companies. Currently, the shares of the Company are listed in Buenos Aires stock Exchange and in BM&FBOVESPA of Brazil, by means of a project of Brazilian Depositary Receipts or BDRs. Besides, the American Depositary Receipts (ADRs) Level I that represent the shares of the Company are traded at the OTC. The Company ordinary shares can be translated into BDRs or ADRs in a ratio 5:1.

1.2. Business Model

TGLT is focused on the development of residential real estate undertakings in Argentina and Uruguay.

The business model of TGLT is based on their capability to identify the best plots of land and to build high-quality residential projects, supported by an excellent team of professionals, on the standardization of processes, on the support of sophisticated management tools that allow the Company to make new launches permanently and to operate a great number of projects simultaneously.

TGLT participates exclusively or substantially in the projects it develops, and it is committed to each project and in line with shareholders' aims.

TGLT team controls and is part of every function performed in connection with real estate development, from the search and acquisition of lands, product design, marketing, sales, construction management, purchase of supplies, post-sale services and financial planning, with the councelling of businesses specialized in each development stage. Although the decision and control of these functions are kept within the organization of TGLT, the performance of some tasks, such as the architecture and the construction, are delegated to specialized companies, which are thoroughly supervised by TGLT. This business model allows the company to ensure an excellent production for each location and segment, granting an always efficient management of the working capital, and allowing them to choose the best partner for each development feature, keeping the size of the organization adaptable to the changes in the volume of business.

TGLT business model estimates a quick land rotation. Once the Company acquires a plot of land, it plans to lauch the project or the stages of the project within a period of three to six months. By doing so, TGLT seeks to avoid the fixing of capital that to accumulate a plot of land for long term exploitation means

TGLT

Note 1. Information about the Company (continued)

1.2. Business model (continued)

As a reference, the range of tasks and the strategy of TGLT at the different stages of project development is the following:

Stages	Vision	Land acquisition	Product design	Marketing and Sales	Construction	Post Construction
Functions	Market Analysis	Search for land	Market research and comparison	Marketing Strategy	Pre construction	Quality control
	Zoning strategies	Feasibility study	Draft	Sales strategy	Hiring strategy	Product adaptations
	Plot of land strategies	Bargaining and structure	Executive project	Sales operation	Bidding for construction	Customer services
Strategy	Risk management	To obtain the best land in each sub market	Design the best products for each category	To maximize the sale rate and the total income	To build with the best quality for each product category	To have a real satisfied client portfolio
	Great projects	To keep a price discipline	Value engineering from the beginning of the design process	Development of a portfolio of renowned and valued trademarks	Discipline and cost control	To take care of all clients' necessities regarding real estate purchase
	Large scale projects	To focus on big cities		Own sales platform	Development of long-term relations with suppliers	
	Unique locations	To consolidate a plot of land for 3-year development, minimizing capital fixing by means of exchanges.		To avoid conflicting channels		
				To avoid reversal of prices		

1.3. Real estate undertakings

As to December 31, 2012, the Company participates individually and/or jointly with other investors in the following real estate urban projects (to obtain more information about the projects, see Note 42 "Segment Information"):

Forum Puerto Norte
The project consists in the construction of new buldings for dwelling houses and commercial offices, and is being developed on a plot of land of approximately 4 hectares. It is the only one having an enclosed perimetre in the Puerto Norte Area, which encloses, approximately, 178 metres of Parana River. The undertaking consists in the construction of 9 residential buildings, 2 office buildings, 22 commercial units and a boat parking with capacity for 100 boats, among other amenities. The architecture of the project was performed by the firm M.S.G.S.S.S. "Forum Puerto Norte" is an undertaking performed by the subsidiary Maltería del Puerto S.A.

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Forum Alcorta

"Forum Alcorta" is located in Belgrano neighborhood in the City of Buenos Aires, on the premises where historically the postal service Limited Liability Company, OCA was located, surrounded by Ramsay, Juramento, Castañeda and Echeverría Streets. The Project is developed on a plot of land of about 13,000 square metres where three high-range residential buildings will be built in a block enclosed in a perimeter, with an extraordinary view of La Plata River. The project was designed by the firm M.S.G.S.S.S. and plans the construction of 158 residential dwellings and 400 underground parking lots. "Forum Alcorta" is an undertaking performed by the subsidiary Canfot S.A.

Note 1. Information about the Company (continued)

1.3. Real Estate undertakings (continued)

Astor Palermo
The project is developed in Palermo Neighborhood, in the City of Buenos Aires, on a plot of land of 3,200 m2 on Beruti street, some metres away from Coronel Díaz Street and in front of Alto Palermo shopping centre. The development plans a single tower of 26 floors, with 210 units, four subfloors with different amenities for the buildings, as well as 171 commercial parking lots, 204 residential parking lots and cellars for residential units. The project was designed by the architects Dujovne—Hirsch and is being developed directly by TGLT.

Astor Núñez
The Project is located in Nuñez neighborhood, in the City of Buenos Aires. Such project is carried out on a plot of land of 4,759 square metres, surrounded by Cabildo Avenue, Pico, Vuelta de Obligado and Vedia Streets. The Project plans the development of a building for 12 commercial premises, a tower of 30 floors with 286 residential units and two subfloors with 310 parking lots and cellars.

"Astor Núñez" was projected by the architecture firm Mario Roberto Álvarez & Asociados and is performed by the Subsidiary Pico y Cabildo S.A.

Astor Caballito
Astor Caballito is an undertaking located in Caballito Neighborhood in the City of Buenos Aires, on a plot of land of 9,800 m2, surrounded by Felipe Vallese, Colpayo, Mendez de Andes and Rojas Streets. The undertaking includes the development of three towers for dwelling houses that will be built in stages, with a total of 500 residential units, two subfloors with parking lots and an amenities building. The project was designed by the architects Dujovne—Hirsch and is being developed directly by TGLT.

Venice
"Venice" is located in Tigre, in the province of Buenos Aires. The project is developed on a plot of land of about 32 hectares, for single family dwellings and commercial offices, as well as common areas for leisure and transit. The Master Plan of Venice was projected by the firm Duany Plater-Zyberk & Company (Miami, USA.) and Bodas, Miani, Anger Arquitectos (Buenos Aires), whereas the design of the first stage of the project was performed by the firm Mc Cormack Asociados. The undertaking is unique because it has 600 linear metres along the bank of Lujan River, in the intersection of such river and Canal Vinculación, which is a centre for nautical and leisure activities in the northern area of the Province of Buenos Aires. This project is unique due to the lack of plots of lands and the unsatisfied demand not only for marinas, but also for boat parks. The construction of the navigable infrastructure is planed in stages, and it will surround about 2,600 residential and commercial units, and 24 single family plots of land, that will take several years.

"Venice" is an undertaking performed by the subsidiary Marina Río Luján S.A.. 50 % of Marina Río Luján S.A. share capital belongs to TGLT.

Forum Puerto del Buceo
This developing real estate urban project is located in the City of Montevideo, Oriental Republic of Uruguay. Such project is developed on a plot of land of approximately 10,765 square metres located strategically on the Rambla República del Perú that goes along La Plata River. On that plot of land a curved building will be constructed in three phases, with 310 residential units and two subfloors with parking lots and cellars.

"Forum Puerto del Buceo" was designed by Carlos Ott Arquitectos, in association with Carlos Ponce de León Arquitectos, and it will be developed by the subsidiary FDB S.A. (previously called Miwok S.A.)

Note 1. Information about the Company (continued)

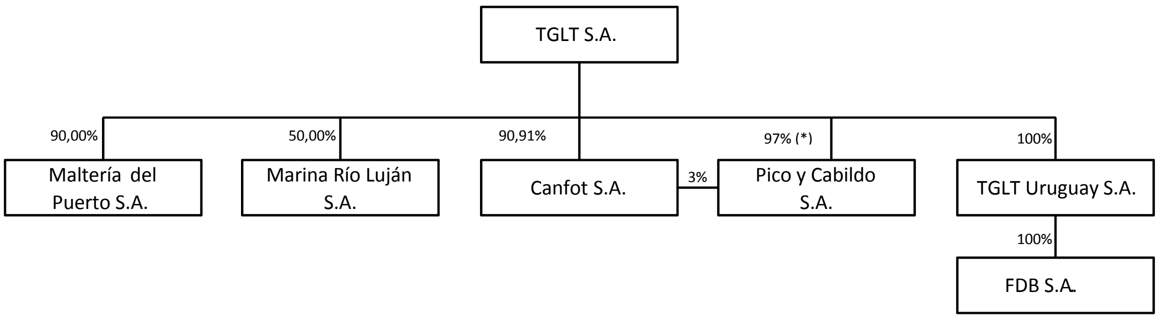
1.3. Real Estate undertakings (continued)

FACA

On March 15, 2011, the Company executed a memorandum of understanding with Servicios Portuarios S.A. (“SP”) to acquire for TGLT (or a controlled subsidiary of TGLT) a plot of land of 8.4 hectareas located in the city of Rosario, Provincia De Santa Fe, which adjoins the property on which “Forum Puerto Norte” project is being developed. For the design of the masterplan and the first phase of the project a renowned architect firm Foster & Partners (England) was hired, wheres the phase of the project facing the city has been undertaken by the firm Mc Comarck Asociados. The undertaking envisages a saleable area of approximately 120,000 square metres, and its first phase is planed to be launched during the first semester of 2013.

1.4. Company structure

The structure of the economic group TGLT (hereinafter “the Group”) is showed in the following outline:



(*) On February 18, 2013 TGLT S.A. acquired from Canfot S.A. the 3% of shares of Pico y Cabildo S.A. which did not own before.

The Group carries out the development of its real estate projects by TGLT S.A. or its subsidiaries, according to Note 1.3. TGLT Uruguay S.A. (previously called Birzey International S.A.) is an investment company limited by shares in Uruguay, which is a holding company for our projects in said country. FDB S.A. is a business company having its domicile in Montevideo, Oriental Republic of Uruguay.

Note 2. Use of the IFRS in accordance with the provisions of RT 26

The consolidatedfinancial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The interim condensed consolidated financial statements (hereinafter, the financial statements) are the first to be prepared according to the IFRS to be submitted before monitoring bodies.

The effects of the changes that are produced due to the implementation of such accounting standards are presented in Note 5. The application of the IFRS is mandatory for the Company pursuant to RG 562 of Argentine Security and Exchange Commission (Comisión Nacional de Valores, CNV). By means of such regulation the CNV adopted for certain entities under its control the Technical Resolution No. 26 (Adoption of International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB) as amended by RT 29 (“Amendment to Technical Resolution No. 26”).

Note 3. Criteria for Presenting the Consolidated Financial Statements

3.1. Criteria for the presentation

The consolidated balance sheet as to December 31, 2012, 2011 and 2010 and the consolidated statement of income and of other comprehensive income for the period, the statement of changes to sharholder's equity and the statement of cash flow as to December 31, 2012 and 2011 have been presented pursuant to the Provisions of the International Accounting Standard 34 *"Interim Financial Reporting."*

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 the application of Technical Resolution No. 26 of the F.A.C.P.C.E. (as amended by Technical Resolution No. 29, passed by the F.A.C.P.C.E. on December 3, 2010), which adopts the International Financing Reporting Standards issued by the International Accounting Standards Board (IASB) for certain entities included in the public offering system of 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.

As the Company is included in the public offering system due to it's share capital, the enforcement of such standards is mandatory as from this year that commenced on January 1, 2012. These financial statements have been prepared under the historical cost basis of accounting, modified, when applicable, to adopt other basis of accounting as required by the IFRS.

These consolidated financial statements correspond to the twelve month commenced on January 1, 2012 and ended on December 31, 2012. According to the IFRS, the Company presents condensed consolidated accounting information in comparison with the last two fiscal years closed as to December 31, 2011 and 2010, and presents the statement of income and of other comprehensive income for the period, the statement of changes to shareholder's equity and the statement of cash flow, for the periods ended on December 31, 2012 and 2011.

These consolidated financial statements (hereinafter the "financial statements") as to December 31, 2012 have been issued by the Company Board of Directors in compliance with statutory regulations in effect and to meet the requirements of CNV and the BCBA within the framework of the authorization process of listing shares.

3.2. Newly Issued Standards and Interpretations - Issued Standards and Interpretations not yet adopted as to this date

As the date of issuance of these financial statements, there are certain standards, amendments and interpretations to existing standards not yet enforced, which have not been adopted by the Company.

The Company did not adopt the IFRS or their revisions, which are detailed below, due to the fact that their enforcement is not required at the close of the period ended on December 31, 2012:

IFRS 9 (as amended in 2010: Financial Instruments (1),
IFRS 10: Consolidated Financial Statements (1),
IFRS 11: Joint Arrangements (1),
IFRS 12: Disclosure of Interests in Other Entities (1),

IFRS 13: Fair Value Measurement (1),

IAS 19: Employees' benefits (1)

IAS 32 and IFRS 7: Amendments about Offsetting Financial Assets and Financial Liabilities (2).

Improvements to the IFRSs issued in 2012 (3)

(1) Applicable standards for the years commencing on or after January 1, 2013.

(2) Applicable as from the periods commencing on 2014

On the other hand, the Company decided to adopt beforehand the ammendmet to IAS 1 regarding the presentation of the Statement of Other Comprehensive Income, issued on June, 2011, applicable as from July, 2012.

(3) They Include improvements to the following IFRSs: IFRS 1 First- time adoption of the International Financial Reporting Standards, IAS 1 Presentation of Financial Statements, IAS 16 Property Plant and Equipment, IAS 32 Financial Instruments: Presentation, IAS 35 Interim Financial Reporting. Applicable to annual periods commencing on January 1, 2013. Advanced application is allowed.

Note 3. Criteria for Presenting the Consolidated Financial Statements (continued)

3.2. Newly Issued Standards and Interpretations - Issued Standards and Interpretations not yet adopted as to this date (continued)

IFRS 9 titled "Financial Instruments"issued on November, 2009 and amended on October, 2010, introduces new requirements for the classification and measurement of financial assets and liabilities and to their disposal. IFRS 9 requires that all financial assets falling within the scope of IAS 39 Financial Instruments – Recognition and Measurement be measured after their depreciated cost or fair value. Specifically, debt investments within the scope of a business model , which aims at collecting contractual cash flow, and which have contractual cash flow consisting solely in payments of principal and interests on the effective share capital, are, in general, measured at the depreciated cost at the closing of subsequent accounting periods. All of the other debt or equity investments are measured at their fair values at closing of the subsequent accounting periods.

The most significant effect of IFSR 9 in connection with the classification and measurment of financial liabilities refers to the accounting entry of changes of the fair value of financial liabilities (determined as financial liabilities at their fair value with changes in the income) attributable to changes on the credit risk of such liability. Specifically, according to IFRS 9, for those financial liabilities that are designated as financial liabilities at their fair value with changes in the results, the amount of the change in the fair value of the financial liability, which is attributable to changes in the credit risk in that debt, is recognised through other comprehensive income, unless the recognition of the changes in the credit risk of the debt in other comprehensive income created or increased accounting mismatch. The changes in the fair value attributable to the credit risk of a financial liability are not subsequently reclassified as income. In the past, according to IAS 39, the total amount of change in the fair value of the financial liabilities designated at its fair value with changes in the results was recognised in gains and losses. The Company Management is analysing the potential impact of adopting this amendment. The impact of the potential effect cannot be determined reasonably until the mentioned analysis is concluded.

IFRS 10 was issued by IASB on May 12, 2011. It sets forth the principles for the preparation and presentation of the consolidated financial statements when the entity controls one or more entities. IFRS 10 replaces the consolidation requirements set forth in SIC-12 "Consolidation- Special Purpose Entities" and IAS 27 "Consolidated and Separate Financial Statements." Although such standard is in effect for year periods starting as from January 1, 2013, advanced compliance of such standard is advisable. IFRS is based on existing principles to identify the control concept as the key factor to establish whether an entity must be included in the consolidated financial statements of the controlling company. Such standard provides additional orientation to help determining control where such control is difficult to evaluate.

IFRS 11 "Joint Arrangements", issued by the IASB on May 12, 2011, provides to reflect the implications of joint arrangements in a more realistic way, focusing on the rights and liabilities of such arrangement instead of its legal form (as is the case currently). Such Standard is focused on solving the inconsistencies in the explanation of joint agreements as it requires a simple method to register jointly interests in controlled entities. The application of this standard will have an impact on the exposition and inversion in the joint business "Marina Río Luján S.A." owned by the Company. .

According to evaluations carried out by the Board of Directors, in the light of IFRS 10 and 11, the participation on Marina Río Luján SA does not fulfill the characteristics of a joint agreement, as the agreement of collective governance of relevant activities of Marina Río Luján SA wth Marcelo Gómez Prieto is a protection right more than a substantive right. Following these new regulations, said agreement has been left aside of the control analysis, whose criteria was: a) the power conferred by the ownership of ordinary shares of Marina Río Luján SA (substantive rights); b) the Company exposure to the variable results originated in the participated company; and c) the capacity of using the power conferred by the possibility of conducting relevant activities of the participated company to exert influence on its own performance. Considering the analysis performed, as from the period beginning on January 1, 2013, the Company shall introduce Marina Río Luján as a subsidiary in its consolidated financial statements and shall consolidate it as per the procedures described in IFRS 10, to be used also for the rest of the subsidiaries and which do not differ from the requirements of IAS 27. The company has not yet ended the quantitative analysis of the effects of having adopted IFRS 10 and 11 for the issuance of its consolidated financial statements.

Note 3. Criteria for Presenting the Consolidated Financial Statements (continued)

3.2. Newly Issued Standards and Interpretations - Issued Standards and Interpretations not yet adopted as to this date (continued)

On May 12, 2011, IASB issued IFRS 12 "Disclosure of Interests in Other Entities". IFRS 12 is a new complete standard dealing with the requirements of explanation for every kind of interest in other entities, including subsidiaries, joint agreements and associated entities and non-consolidated structures. The Company Management is analysing the potential impact of adopting this amendment.

Amendment to IAS 19 includes a number of specific improvements to the Standard. The main changes refer to:

- Eliminating the "corridor method", by requiring entities to recognise actuarial gain and losses arising on the period.
- Rationalising the presentation of changes in assets and liabilities of the plan;
- Improving the explanation requirements, including information regarding the characteristics of the benefit plans and the risks the entities are exposed to by participating in such plans.

The amended version of IAS 19 is effective for the years commencing on January 1, 2013. The Company Management considers that enforcement of this standard will not have a significant impact.

On May 12, 2011, IAS and the Financial Accounting Standards Board (FASB) issued a new guide regarding the measurement of the fair value and the requirements for the divulgation of IFRS and the US GAAP. The guide is enclosed in the IFRS 13 "Fair Value Measurement" and completes a project of the joint tasks of the boards to improve the IFRS and the US GAAP, aiming at making such regulations converge. La NIIF 13 establece una sola estructura para la medición del valor razonable cuando es requerido por otras normas. Esta NIIF aplica a los elementos tanto financieros como no financieros medidos a valor razonable.

The fair value is measured as the price that would be received to sell an asset or paid to transfer a liability in an ordered transaction between the market participants to the measurement date." The Board of Directors establishes in advance that IFRS 13 will be adopted in the Group financial statements for the year commencing on January 1, 2013. The changes may not affect significantly the disclosures in the Group financial statements. However, it may not be possible to reasonably determine the impact of the potential effect until a detailed analysis has been performed.

On June 2011 the IASB issued Presentation of Items of Other Comprehensive Income (amendments to IAS 1). Such amendments improved the coherence and clarity of the presentation of items of other comprehensive income (OCI).

Such amendments clearly stated that the Board should include in the presentation the income for the period and the presentation of the OCI jointly and with the same degree of importance. As it was explained in the paragraph IN13, IAS 1 was amended in 2007 to require that the reszult for the period and the OCI be presented jointly. The amendments issued on June, 2011 maintained this requirement, but focusing on improving the way in which the items of OCI are presented.

The main change derived from the amendments was that entities were required to group the items presented in OCI based on whether they can be potentially reclassified later at the income for the period. The amendments did not state which items were presented in OCI.

The amendments did not change the option to present the items of OCI before taxes or net after taxes. However, if the items are presented before taxes, the tax related with each of the groups of the items of OCI (the ones that can be reclassified and those that will not be reclassified) should be presented separately.

Although the amendment to IAS 1 is mandatory as from July 2012, the Company decided to apply it in advance.

Note 3. Criteria for Presenting the Consolidated Financial Statements (continued)

3.2. Newly Issued Standards and Interpretations - Issued Standards and Interpretations not yet adopted as to this date (continued)

The amendment "Offsetting Financial Assets and Financial Liabilities" (Amendments to IAS 32 and IFRS 7), issued in December 2011, revoked paragraph GA38 and added paragraphs GA38A to GA38F. Entities will apply these amendments to yearly periods that begin on January 1, 2014. A company can apply these modifications retroactively. Early application of the same is allowed. If an entity applies these amendments as from a previous date, it must reveal this fact as well as reveal the information required in Diclosure-Offseting of Financial Assets and Liabilities" (Amendments to IFRS 7), issued in December, 2011.

In May, 2012 IASB published "Improvements to International Financial Reporting Standards", through which several standards were amended. The effective date of each amendment is detailed in each of the standards amended. Such standards, revisions and interpretations are not applicable for the year commenced on January 1, 2012, and were not adopted early.

Note 4. Summary of the Main Accounting Policies Applied

4.1. Applicable accounting standards

These consolidated financial statements have been prepared using specific IFRS measurements for every type of asset, liability, income, and expenses. An exhaustive description of the measurement criteria is provided below.

The consolidated and individual reports attached are presented in pesos (ARS), the legal tender in the Argentine Republic, prepared on the basis of TGLT S.A. accounting entries and its controlled subsidiaries. Preparation of this financial report −for which the Company's Board of Directors is responsible− requires the board to perform certain accounting estimates and use its judgement when applying certain accounting standards. The areas with a greater degree of complexity and that often require using criteria, or those in which hypotheses or estimates are significant are detailed in Note 4.22 regarding criteria, accounting estimates, and relevant hypothesis.

These consolidated financial statements have been approved by the Board of Directors at the meeting held on March 8, 2013.

4.2. Consolidation Criteria

TGLT consolidated financial statements include financial information from the Company, its controlled subsidiaries, and its jointly controlled subsidiaries. They are considered controlled subsidiaries when the Company has the power to govern their financial and operational policies in order to obtain benefits from their activities, assuming that they meet these characteristics when it has over half of the voting rights directly or indirectly.

The financial statements of the controlled subsidiaries and those of its jointly controlled subsidiaries used to prepare the condensed consolidated financial statements were drafted according to other accounting standards.

Based on the foregoing paragraph, and for the purposes of applying accounting regulations standardized with TGLT S.A., the standards used by the exclusive or joint controlled subsidiaries and those resulting from the application of Technical Resolution No. 26 (application of the IFRS) were reconciled for the following items: a) total shareholder's equity and b) net income for the year (according to the standard applied) and net income for the year (according to IFRS), and that amount to the total comprehensive income for the year.

Note 4. Summary of the Main Accounting Policies Applied (continued

4.2. Consolidation Criteria (continued)

The Board of Directors that approved the referred financial statements of the exclusively or jointly controlled subsidiaries, or those influenced significantly were subject to application of monitoring and confirmation mechanisms on a management level contemplated by all the significant items treated differently by the standards used and the IFRS, in accordance with General Resolution No. 611 by the Argentine Securities and Exchange Commission. Therefore, the amounts reported in the subsidiaries' individual financial statements have been adjusted where they required a measurement that was consistent with the accounting policies adopted by TGLT S.A.

In the case of TGLT Uruguay S.A. and its subsidiary FDB S.A., the assets and liabilities were converted to Argentine pesos at the exchange rates in effect to the date of those financial statements. The income accounts were converted to Argentine pesos at the exchange rates in effect to the date of those transactions.

En el caso de la sociedad en la que se ejerce control conjunto se agregó la proporción que le corresponde en los Assetss, LIABILITIESs, resultados y flujos de efectivo de la sociedad controlada en forma conjunta.

For the jointly controlled company, the respective proportion was added to its assets, liabilities, income and cash flow.

In all cases, the credit and debt and transactions among entities of the consolidated group were eliminated during consolidation. The income resulting from transactions among members of the consolidated group that were not projected to third parties and included in the final asset balances were eliminated completely.

The controlled companies and the jointly controlled companies, whose financial statements have been included in these interim condensed consolidated financial statements, are the following:

		Share Percentage (1)			
Company	Type of Control	31/12/2012	31/12/2011	31/12/2010	Consolidation Method
Canfot S.A.	Exclusive	90.91 %	(2) 90.91 %	75.04 %	Comprehensive
Pico y Cabildo S.A.	Exclusive	99.73 %	(3) 99.73 %	-	Comprehensive
Maltería del Puerto S.A.	Exclusive	(5) 90.00 %	75.00 %	75.00 %	Comprehensive
Marina Río Luján S.A.	Joint	49.99 %	49.99 %	49.99 %	Proportional
TGLT Uruguay S.A.	Exclusive	100.00 %	(4) 100.00 %	-	Comprehensive

(1) Direct and indirect share
(2) See note 38.1
(3) See Note 38.2.
(4) Company acquired by TGLT in October, 2011. Furthermore, in November 2011, TGLT Uruguay S.A. acquired 100% of the share capital of FCB S.A. (See Note 38.3).
(5) See Note 38.4

Non-controlling shares, presented as part of the shareholder's equity, represent the part of profits or losses and net asses of a subsidiary, which are not owned by TGLT. The Company Management ascribes the total other comprehensive income or loss of the subsidiaries to the owners of the controlling company and the non-controlling shares based on their respective shares.

4.3. Functional Currency

For the purposes of these condensed consolidated financial statements, the income and balance sheet of each entity are expressed in pesos (legal tender of the Argentine Republic), which is the functional currency (currency of the main economic environment in which a company operates) for all companies with a legal domicile in the Argentine Republic, being the currency in which consolidated are presented. The functional currency of TGLT S.A. Uruguay and its subsidiary FDB S.A., located in the Oriental Republic of Uruguay, is the American dollar.

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Note 4. Summary of the Main Accounting Policies Applied (continued)

4.3. Functional Currency (continued)

When preparing the financial statements of individual entities, the transactions in currencies other than the entity's functional currency (foreign currency) were entered using the exchange rates on the dates when the transactions were performed. At the end of the period and of each fiscal year reported, the monetary items expressed in foreign currencies were converted using the exchange rates in effect on that date.

The non-monetary items entered at their fair value, expressed in foreign currencies, were reconverted using the exchange rates in effect on the date when the fair value was determined. Non-monetary items calculated in terms of historical costs in foreign currency were not reconverted.

4.4. Loan Costs

The financial costs incurred through loans obtained to directly finance real estate urban projects (undergoing development), are included as part of the cost of such assets, in accordance with the provisions set forth in IAS 23 "Loan Costs."

Additionally, for generic loans −that is, those not assigned specifically to a particular real estate urban project− the assignment criterion provided for in paragraph 14 of the referred IAS was used.

The amount of costs for loans capitalized during the period and the fiscal years reported does not exceed the total loan costs incurred during that same period and fiscal years, respectively.

The remaining loan costs are included as profits and losses when they are incurred.

4.5. Taxes

The Income Tax charge represents the total current Income Tax, generated by tax losses, and the Deferred Tax, that results from temporary differences between accounting and tax measurements.

4.6. Current Taxes

The charge for the current tax was based on the tax losses recorded for the period/fiscal year. The tax income differed from the income reported in the consolidated statement of comprehensive income due to the income or taxable expense or deductible items from other years and due to the items that will never be taxable or deductible.

The current tax charge was calculated using the tax rates promoted or substantially approved to the end of the fiscal year reported in countries in which the Group's companies are located. The current taxes were entered as income or expenses and included in the comprehensive income.

4.7. Deferred Taxes

The Deferred Tax was recognised for the temporary discrepancies between accounting criteria applied to the assets and liabilities included in the financial statements and their respective tax criteria.

The Deferred Tax Liabilities were generally recognised for all future temporary taxable discrepancies. The Deferred Tax Assets were recognised for all the temporary deductible discrepancies to the extent that it was deemed likely that the entity would have future tax earnings from which to charge these temporary deductible discrepancies. These assets and liabilities were not recognised when the temporary discrepancies were the result of capital gain or of the initial recognition (different from the one generated in a joint business) of other assets and liabilities in transactions that did not bear on tax earnings or accounting earnings.

The Deferred Tax Assets and Liabilities were measured using the tax rates. The application of those rates is expected during the period in which the assets is realized or the liability paid, based on the rates (and tax laws) approved, or in the final stages of approval, by the end of the period or fiscal year reported. .

Note 4. Summary of the Main Accounting Policies Applied (continued)

4.7. Deferred Taxes (continued)

Measurement of the Deferred Tax Liabilities and Deferred Tax Assets at the end of the period/fiscal year being reported reflect the tax consequences of the way in which the entity intends to recover or liquidate the amount of its assets or liabilities in its books.

Deferred Tax Assets were only offset with the Deferred Tax Liabilities when a) the right to compensate them was legally allowed by tax authorities, and when b) the deferred tax assets and liabilities result from the relevant Income Tax paid to the same tax authorities and TGLT S.A. had the intention of liquidating its assets and liabilities as net assets and liabilities. Deferred Tax charges were entered as income or expenses and included in the comprehensive income.

4.8. Assumed minimum income tax

The Assumed Minimum Income Tax is supplementary to the Income Tax because, whereas the latter is applied to the taxable income of each fiscal year, the Assumed Minimum Income Tax is a minimum tax of 1% applied to income potentially obtained from certain productive assets at the closing of the period/fiscal year, and the company must pay whichever of the two taxes amounts to more. However, if the Assumed Minimum Income Tax exceeds the Income Tax in a fiscal year, the excess may be credited to any amount by which the Corporate Income Tax exceeds the Assumed Minimum Income Tax in any of the ten following periods.

As to December 31, 2012, the amount calculated as Assumed Minimum Income Tax in excess of the Income Tax was ARS 10,684,345. This amount, which added to the charges from previous fiscal years represents ARS 29,212,999 in credit, is listed under “Tax Assets” entry as a non-current assets, because the amounts paid for this tax are considered recoverable before they are barred by a statute of limitations.

4.9. Property, plant and equipment

Property, plant and equipment are expressed at the net cost of the cumulative depreciation and the cumulative losses due to impairment, when applicable. This cost includes the cost of replacing part of the property, plant, and equipment, as well as loan costs incurred due to long term construction projects, if the requirements for entering them are fulfilled.

Significant components of property plant and equipment that must be replaced periodically are recognised by the Company as individual separate assets, with their specific useful lives and respective depreciations. Likewise, when a major inspection or repair is performed, the cost incurred is recognised as a replacement in the book value of the plant and equipment if the criteria for recognizing them are met. Any other repair and maintenance costs are entered in the statement of income as they are incurred.

Depreciation is calculated using the straight-line method, applying rates that are sufficient to extinguish their values at the end of the estimated useful life. These useful lives are based on criteria and standards that are reasonable according to the experience obtained by the Company Management.

For more information regarding the useful lives assigned, please refer to Note 4.22 (Opinion, Accounting Estimates and Significant Assumptions).

Property, plant and equipment components or any significant parts of the same recognised initially are written off when they are sold or when no future financial benefits from its use or sale are expected. Any earnings or losses at the time an asset is written off (calculated as the difference between the net income obtained from the sale of the asset and its book value) are included in the statements of income when the asset is written off.

The residual values, useful lives, and depreciation methods and rates of the assets are checked and adjusted prospectively to the closing date of each period or fiscal year when necessary. The evolution of property, plant, and equipment assets is presented in Note 10.

Note 4. Summary of the Main Accounting Policies Applied (continued)

4.10. Intangible assets

4.10.1 Trademarks and Software

This includes expenses incurred in software acquisition and brand registry. The intangible assets acquired are initially measured at their cost value. Following the initial recognition, they are entered in the books at their cost value minus any cumulative amortization and any cumulative loss due to impairment.

Amortization is calculated using the straight-line method, the rate of which is determined based on the useful life assigned to the assets as from the month they are incorporated inclusive. The evolution of intangible assets is included in Note 11.

The amortization period and method for intangible assets with a predetermined useful life are checked at least at the close of each period reported. The changes in useful life expected or pattern for consumption of the asset expected are entered in the books upon changing periods or amortization methods, as the case may be, and they are treated as changes in accounting estimates. The amortization expense in intangible assets with finite useful lives is listed in the statement of income under the expense category that is consistent with the purpose of the intangible asset in question.

Any gain or loss that results from writing off an intangible asset are calculated as the difference between the net income obtained from the sale and the asset book value, included in the statements of income when the asset is written off.

4.10.2 Expenses incurred in Software Research and Development

Research expenses are entered in the books as expenses as they are incurred. Software development expenses incurred in a specific project are listed as intangible assets when the Company can prove the following:

- The technical feasibility of completing the intangible asset so that it is available for its expected use or sale.
- Its intention of completing the asset and its capacity to use or sell it.
- How the asset will generate future financial benefits.
- The availability of resources for completing the asset.
- The capacity to perform reliable measurements of disbursements during their development.

Alter a development expense is initially recognized as an asset, the cost model is applied, which requires that the asset be entered in the books at its cost value minus the cumulative amortization and cumulative losses due to impairment. Amortization of assets begins when development has been completed and the asset is available for use. The asset is amortized throughout the period in which generation of future financial benefits is expected. During the development period, the asset is subject to yearly tests for determining whether there has been impairment..

The Board of Directors has been able to verify that these assets meet all requirements of IAS 38 for their capitalization.

4.11. Impairment test of Capital gain, Intangible assets and Property, plant and equipment

As a general rule, IAS 36 establishes that at the closing of each period reported, the Management must evaluate whether there is any indication of the impairment of a non-financial asset. If there is any such indication, or when yearly impairment tests for determining the impairment of assets are required, the recoverable value of such asset is estimated. The recoverable value of an asset is the fair value minus the sale cost –whether it is of an asset or of a cash generating unit– and its in-use value, whichever is greater, and it is determined for individual assets unless the asset does not generate cash flow substantially independent from other assets or asset groups. When the book value of an asset or of a cash generating unit is greater than its recoverable value, the asset is considered impaired, and its value is reduced to its recoverable value.

Note 4. Summary of the Main Accounting Policies Applied (continued)

4.11. Impairment test of Capital gain, Intangible assets and Property, plant and equipment (continued)

When evaluating the in-use value, the estimated cash flow is deducted of its present value using a before tax deduction rate that reflects current market evaluations of the temporary value of money and the asset specific risks. To determine the fair value minus the sales cost, recent market transactions are taken into account, if there are any. If this type of transaction cannot be identified, the valuation model deemed most appropriate is used.

To determine the decrease in the capital gains resulting from business combinations, such capital gains were distributed among each of the Company's Cash-Generating Units (CGU) that have benefited from business combination synergies. This forces the Company to conduct impairment tests on the CGUs on each date of issuance of financial statements including such CGUs.

Due to the fact that the remaining assets that must undergo the impairment test set forth in IAS 36 are included in any of the CGUs to which capital gain was assigned, the Company must carry out the impairment test on each date on which financial statements are prepared, regardless of whether or not there are indications of impairment. Consequently, creating a procedure for monitoring indications was not necessary, according to what IAS 36 sets forth.

The management bases its calculation of impairment on detailed estimates and prediction calculations conducted separately for each of the Group cash generating units to which individual assets are assigned. In general, the estimates and prediction calculations cover five-year periods. For longer periods, a long-term growth rate is calculated and applied to the future cash flow of the project as from the fifth year.

Losses due to impairment of continued transactions, including the impairment of assets, are included in the statement of income under the expense category for the function of the deteriorated asset, except in the case of properties previously revaluated when the revaluation has been included in the other comprehensive income. In this case, the impairment is also included in the other comprehensive income until reaching any evaluation previously recognised.

For assets in general, once the capital gain has been excluded, at the closing date of each period reported, an evaluation is performed to determine whether or not there is any indication that losses due to impairment previously recognised no longer exist or have decreased. If there is any such indication, the Management conducts an estimate of the recoverable amount of the asset or of the cash-generating unit. A loss due to impairment previously recognised is only reverted if there has been a change in the assumptions used for determining the recoverable value of an asset as from the last time the last loss due to impairment has been recognised. This reversal is limited in such a way that the asset book value does not exceed its recoverable value or exceed the book value determined, net of the respective depreciation, if no loss due to deterioration for the asset has been recognised in previous periods. This reversal is included in the statement of income unless the asset is entered in the books based on its newly assigned value, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied to evaluation of impairment of specific assets:

4.11.1 Capital gain

Capital gain is tested yearly (as to December 31) and when there are circumstances indicating that their book value may have deteriorated, to determine whether there is impairment.

Capital gain impairment is determined by evaluating the recoverable value of each cash-generating unit (or group of cash-generating units) related to the capital gain. When the recoverable value of each cash-generating unit is lower than its book value, a value deterioration loss is recognised. Losses due to impairment related to capital gain cannot be reverted in future periods.

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Note 4. Summary of the Main Accounting Policies Applied (continued)

4.11. Impairment test of Capital gain, Intangible assets and Property, plant and equipment (continued)

4.11.1 Capital gain (continued)

As to December 31, 2012, the Company Management determined that the capital gain related to the investment in Maltería del Puerto S.A. was impaired in ARS 32,095,394 (See Notes 13 and 40).

4.11.2 Intangible assets

Intangible assets with indefinite useful lives undergo tests for determining if there is any value deterioration, whether it is done individually or for the cash-generating unit, as the case may be.

4.12. Inventories

Inventories include developing urban real estate (works in process) and completed units ready for sale.

ii) 4.12.1 Real Estate Urban Projects

Real estate classified as inventories are valued at the acquisition and/or construction costs, or at their estimated market value, whichever is lower. The value of the land and improvements, direct costs and general construction expenses, loan costs (when the requirement set forth in IAS 24 are met), and real estate taxes are included in the costs.

Additionally, and as a result of the restatement of business combinations (for more information on this topic see Note 4.16 “Business Combinations”) performed by the Company, the greatest value of the differences in measurement of net assets that can be identified when performing the referred business combinations are listed under this account. Therefore, the greatest inventory value is obtained mainly by comparing the book values and the respective fair values of the main assets owned by the companies incorporated at that time (inventories).

The fair value of net assets that can be identified was obtained from the reports issued by independent professional experts on this subject when business combinations occurred.

iii) 4.12.2 Complete Units

The units of real estate urban projects are listed as “Complete Units” when the construction process has finished and such units can be conveyed or sold. Disbursements after construction has been completed are recognised as income, as long as they are not part of post-construction costs required for the units to be ready for conveyance or sale.

4.13. Leases

Pursuant to IAS 17 “Leases”, the financial ownership of an asset in a financial lease is transferred to the lessee if the lessee takes on substantially all the risks and rewards of ownership of such leased asset. The related asset is thus recognised at the beginning of the lease at its fair value or at the value of the minimum payments for the lease if the latter is a lower amount, established at the beginning of the lease.

As to December 31, 2012, the Company has not entered into financial lease agreements.

All other leases are treated as operating leases. Operating lease payments are listed lineally as expenses based on the lease agreement, and related costs such as maintenance and insurance are listed as expenses when they are incurred.

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Note 4. Summary of the Main Accounting Policies Applied (continued)

4.14. Acknowledgement of income

In general, income is recognised on the basis of the fair value of the consideration charged or to be charged, taking into account the estimated amount of any deduction, bonus, or commercial reduction provided by the entity.

Sale of Complete Units (Inventories)

Regular income obtained from the sale of assets was recognised once each and every of the following conditions was met:

- The Company transferred to the buyer significant risks and benefits derived from ownership of the assets.
- The company did not continue participating in the current management of the assets sold, in matters usually associated with ownership, and neither did it maintain actual control over such assets.
- The amount of the regular income was calculated reliably.
- It was deemed likely that the Company would receive financial benefits related to the transaction.
- The costs incurred or to be incurred and related to the transaction were calculated reliably.

Services rendered

The income in concept of services rendered as per management agreements are acknowledged in results in relation to the Company rendering of such services, independently of the moment they have been invoiced.

4.15. Classification of Entries into Current and Non-current

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

a) Its realization is expected, or its sale or consumption is intended within the entity regular operating cycle;

b) It is maintained primarily for the purposes of trading;

c) Its realization is expected for the twelve-month period following the balance sheet date; or

d) It is cash or a cash equivalent (as defined in IAS 7), not applied to restrictions to being exchanged or used to pay a liability, at least within the twelve-month period following the balance sheet date.

Any other assets are classified as non-current assets.

Additionally, liabilities are listed as current liabilities when they meet any of the following criteria:

a) Its liquidation is expected during the entity regular business cycle;

b) It is maintained primarily for the purposes of trading;

c) It must be liquidated within the twelve-month period as of the date of the balance sheet; or

d) The entity is not entitled unconditionally to extend the timeframe for paying the liability for at least the twelve months that follow the date of the balance sheet.

Any other liabilities are classified as non-current liabilities.

Pursuant to the provisions of IAS 1, an entity normal operating cycle is the period between the acquisition of material assets incorporated in the production process, and the realization of the products as cash or cash equivalents. In the case of development of real estate projects, which are the Company's main line of business, the normal operating cycle is the period between the launch of sales and construction and the conveyance of functional units.

Note 4. Summary of the Main Accounting Policies Applied (continued)

4.16. Business Combinations

The Company opted for restating the business combinations prior to the date of transition to the IFRS (December 31, 2010), and acquiring of its stock in the joint controlled entity "Marina Río Luján S.A.", in accordance with the provisions set forth in IFRS 1.

Thus, the Company recognised all the assets and liabilities on the date of the business combinations prior to the date of transition to the IFRS and calculated them as at said date based on their fair values on the date of acquisition, as required by IFRS 3 "Business Combinations" and IAS 31 "Interests in Joint Ventures".

Additionally, non-controlling equity interests (previously referred to as "minority interest") acquired through business combinations prior to the date of transition to IFRS (Canfot S.A. and Maltería del Puerto S.A.), were recalculated and updated as follows:

a) As from the date of acquisition of each one of the business combinations until December 31, 2010 (date of transition to IFRS), this being the amount listed for this concept in the opening statement of income; and

b) From December 31, 2010 to December 31, 2011, according to equity interests by non-controlled shareholders on the profits and losses obtained during 2011 by the controlling companies and changes that took place during this year that have not caused changes in control relationships; this being the amount listed for this concept in the condensed, consolidated financial statement of income as to December 31, 2011, in accordance with the IFRS.

Finally, upon recalculating the business combinations prior to the date of transition to the IFRS (and acquisition of the jointly controlled entity "Marina Río Luján S.A."), the Company has proceeded to also recalculate the added values related to the referred acquisitions.

In summary, the purchases were entered in the books by applying the acquisition method. The consideration obtained as a result of the acquisition was calculated at the estimated fair value (at the date of exchange) of the assets assigned and liabilities incurred or assumed and the equity instruments, except for the deferred tax assets or liabilities, or assets related to agreements entailing benefits for employees that were included and calculated pursuant to IAS 12, "Income Taxes", and IAS 19 "Employees' Benefits", respectively.

The costs associated with the acquisition were included under profits and losses upon being incurred.

4.17. Capital gains

These result from the restatement of business combinations prior to December 31, 2010 (See Note 38.) The capital gain is the amount that exceeds the sum of the consideration transferred, the amount of any non-controlling equity interest in the entity acquired—when applicable—and the fair value of the equity interest that the purchaser previously had (when applicable) in the entity in relation to the net amount as to the date of acquisition of the identifiable assets required and liabilities assumed.

Goodwill is not amortized, but at the date of each report is revised to determine whether it is necessary to acknowledge any impairment. (See note 40.) For the purposes of evaluating the impairment, capital gain is assigned to each of the Company cash generating units for which benefits from the synergies of the respective combination are expected. The cash-generating units to which capital gain is assigned undergo impairment tests on yearly basis, or more frequently if there are indications that the unit may have been impaired. If the recoverable amount of the cash-generating unit is lower than the book value of such unit, the loss due to impairment is first assigned to reducing the book value of the capital gain assigned to the unit and then to other assets of the unit, proportionally. To do this, the book value of each asset is used as a basis. Loss due to impairment recognised for the purposes of capital gain is not reverted in any subsequent period.

Note 4. Summary of the Main Accounting Policies Applied (continued)

4.17. Capital gains (continued)

Changes in the interest in ownership of a subsidiary are entered in the books as equity transactions and do not affect the book value of the capital gain.

As to December 31, 2012, the capital gain related to Maltería del Puerto S.A. has undergone impairment for the amount of ARS 32,095,394, which is explained in Note 40.

4.18. Allowances

Allowances were recognised in the cases at which the Company was faced with a current obligation (whether it was legal or implied) for which it was responsible and that resulted from a past event, and then had to let go resources that brought financial benefits to discharge such obligation, and when it was possible to reasonably estimate the amount of the obligation.

The amount listed as an allowance was the best estimate of the disbursement required for discharging the current obligation, at the close of the period reported, taking in to account the respective risks and uncertainties. When an allowance is calculated using the cash flow estimated for discharging a current obligation, its book value represents the current value of said cash flow.

When recovery of some or all the financial benefits required to cancel an allowance was required, an account receivable was listed as an asset if it was virtually certain that the payment would be received and the amount receivable could be calculated reliably.

Note 35 contains a detailed description of the main claims received by the Company.

4.19. Financial Assets and Liabilities, Loans, and Accounts Receivable and Payable

4.19.1 Financial Assets

1) Initial Measurement

Financial assets under IAS 39 are classified as financial assets at their fair value with changes in income, loans and account receivable, investments maintained until their due date, financial assets available for sale, or as derivatives assigned as hedge instrument with effective coverage, as applicable. The Company determines how these financial assets are classified when they are initially recognised.
All the financial assets are initially listed at their fair value plus –for financial assets not entered into the books at their fair value with changes in income– transaction costs that can be directly ascribed.
Purchases or sale of financial assets that require delivery of assets within a term established in a regulation or market agreement (conventional sales agreement) are entered on the date of the purchase, that is, the date when the Company commits to purchase or sell the asset.
The Company financial assets include cash and short-term placements, trade receivables, loans, and other accounts receivable and listed and unlisted financial instruments.

2) Subsequent Measurement:

Financial assets are measured subsequently in the following way, depending on their classification:

a) Financial Assets at fair value with changes in income

Financial assets at fair value with changes in income include the assets maintained for the purposes of trading and the financial assets allotted when initially recognised, and at the fair value with changes in income. Financial assets are classified as maintained for negotiating purposes when they are acquired to be sold or repurchased in the near future.

Note 4. Summary of the Main Accounting Policies Applied (continued)

4.19. Financial Assets and Liabilities, Loans, and Accounts Receivable and Payable (continued)

2) Subsequent Measurement (continued)

Financial assets at their fair values with changes in income are entered in the financial statement of income at their fair values, and the changes in this fair value are recognised as income or financial costs in the statement of income.

a) Loans and accounts receivable

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. Following their initial recognition, these financial assets are measured at their amortized costs by means of the effective interest rate method, minus any impairment. Amortized costs are calculated by contemplating any deduction or goodwill for acquisition, and the commissions or costs that are an integral part of the effective interest rate. Amortization of the effective interest rate is recognised as financial income in the statement of income. The losses resulting from impairment are entered in the statement of income as financial costs.

a) Investments Maintained until Expiry

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as maintained until maturity when the Company has the intention and capacity of maintaining them until their maturity date. Following their initial recognition, investments maintained until maturity are measured at their amortized costs by means of the effective interest rate method, minus any impairment. Amortized costs are calculated by contemplating any deduction or goodwill for acquisition, and the commissions or costs that are an integral part of the effective interest rate. Amortization of the effective interest rate is recognised as financial income in the statement of income. The losses that result from impairment are entered in the statement of income as financial costs.

iv) 4.19.2 Financial liabilities

1) Initial Recognition and Measurement

Financial liabilities under IAS 39 are classified as financial liabilities at their fair value with changes in income, loans and accounts payable, or as derivatives assigned as hedge instruments with effective coverage, as applicable. The Company determines how these financial liabilities are classified when they are recognised initially.
All financial liabilities are initially recognised at their fair value plus –for loans and accounts payable– transaction costs that can be ascribed directly.
The Company's financial liabilities include commercial accounts payable, loans and other accounts payable and overdrafts in bank current accounts.

2) Subsequent Measurement

Financial liabilities are measured subsequently in the following way, depending on their classification:

a) Financial liabilities at fair value with changes in income

Financial liabilities at fair value with changes in income include the financial liabilities maintained for the purposes of trading and the financial liabilities allotted when initially recognised, and at the fair value with changes in income.

Financial liabilities are classified as maintained for negotiating purposes when they are incurred for the purposes of negotiating in the near future.

Note 4. Summary of the Main Accounting Policies Applied (continued)

4.19. Financial Assets and Liabilities, Loans, and Accounts Receivable and Payable (continued)

Earnings or losses due to liabilities maintained for the purposes of trading are recognised in the statement of income.

a) Loas that accrue interests

Following their initial recognition, loans that accrue interest are measured at their amortized cost using the effective interest rate method. Earnings and losses are recognised in the statement of income when liabilities are written off, as well as through the amortization process using the effective interest rate method.

Amortized costs are calculated by contemplating any deduction or goodwill for acquisition, and the commissions or costs that are an integral part of the effective interest rate. Amortization of the effective interest rate is recognised as financial cost in the statement of income.

4.20. Short-Term Employees' benefits

Short-term employees' benefits, including the right to holidays are current liabilities included under pensions and other obligations with employees, measured at the amount deducted that the Company expects to pay as a result of its unused benefits.

4.21. Shareholders' Equity Accounts

Shareholder's equity items were prepared in accordance with the accounting standards in effect to the date of transition. The movements listed under this item were accounted for in accordance with the respective meeting decisions, legal provisions or regulations (Reserves), although said items would not have existed or would have had different balances had the IFRS been applied in the past.

4.21.1. **Share capital**

This is made up of contributions committed to or performed by Shareholders represented by shares of stock, and includes outstanding shares at a par value.

4.21.2. **Statutory reserve**

In accordance with the provisions set forth by Law No. 19550, the Company must maintain a statutory reserve not inferior to 5% of the positive result of the algebraic sum of the profits and losses for the fiscal year, adjustments of previous fiscal years, transfers of other comprehensive income to cumulative income, and losses accumulated from previous fiscal years, until reaching 20% of the Share Capital.

4.21.3. **Special Reserve**

See Note 46.

4.21.4. **Cumulative Income**

This includes earnings or losses, accumulated but not specifically allotted, which, when positive, may be distributed if decided on at Shareholder's Meeting, provided they are not subject to legal restrictions such as the one referred to in the previous paragraph. It includes the income from previous fiscal years that were not distributed, the amounts transferred from other comprehensive income, and adjustments to previous fiscal years as a result of applying accounting standards.

In order to absorb the negative balance of the "Cumulative Income" account, when applicable, at the closing of the fiscal year to be considered at the Shareholders' Meeting, the balances must be earmarked in the following order:

a) Reserved earnings (voluntary, statutory and legal, in that order);

b) Capital Contributions;

Note 4. Summary of the Main Accounting Policies Applied (continued)

4.21. Shareholders' Equity Accounts (continued)

4.21.4. Cumulative Income (continued)

c) Issuance premiums and own share negotiation (when the balance of this account is positive);

d) Other equity instruments (when it is legal and feasible from a corporate standpoint);

e) Capital adjustments, and

f) Share capital.

4.22. Good judgement, Accounting Estimates, and Significant Assumptions

Preparation of the Company financial statements requires that the Management deliver good judgement, accounting estimates and significant assumptions that affect the amounts of income, expenses, assets and liabilities reported and the disclosure of contingent liabilities, at the closing of the period/fiscal years reported. In this sense, the uncertainty regarding these assumptions and estimates may result in profit and losses that will require a significant adjustment in future periods of the amount of assets or liabilities earmarked and entered into the books.

In the process of applying the Company accounting policies, Management did not pass judgement with a potentially significant effect on the amounts recognised in the condensed consolidated financial statements, except for what was indicated regarding recognition of tax credits.

The main accounting estimates and underlying assumptions included in the Company consolidated financial statements as to December 31, 2012 are described below. Such estimates and assumptions are periodically reviewed by the Management. The effects of the reviews of the accounting estimates are recognised in the period/fiscal year in which the estimates are reviewed, whether it is in the current period or fiscal year or in a future one

a) Estimate of Useful Lives:

Bellow, there is a description of the periods during which the Management believes that the assets will no longer be usable or will stop benefiting the Company financially:

v) Useful life	
Chattels and supplies	10 years
Hardware	5 years
Leasehold improvements	5 years
Facilities	5 years
Trademarks	10 years
Software	3 years
Software development	3 years
Showrooms	(1)

(1) In order to estimate the useful life of the different showrooms the launching of projects and the estimated time for sale have been taken into account.

The Management reviews its estimates upon the useful lives of depreciable or amortizable assets to the date of each period/fiscal year, based on the usefulness expected for the assets. The uncertainty of these estimates is related to the technical obsolescence that could change the usefulness of certain assets such as software or technological equipment.

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Note 4. Summary of the Main Accounting Policies Applied (continued)

4.22. Good judgement, Accounting Estimates, and Significant Assumptions (continued)

Capital gain has been classified as having an undefined useful life and is subject to impairment analysis.

a) Estimate of the impairment of non-cash assets.

There is impairment when the book value of an asset or cash generating unit exceeds its recoverable amount, which is the fair value minus the sales costs, or its use value, whichever one is greater. Calculation of the fair value minus sales costs is based on information available regarding similar sales transactions, performed by independent parties for similar assets, or at observable market prices, minus the incremental costs incurred in transferring ownership of the asset.

Calculation of the use value is based on discounted cash flow model. Cash flow is obtained from the budget for the next five years and do not include restructuring activities to which the Company has not yet committed, or significant future investments that will increase the performance of the asset or of the cash-generating unit subject to testing. The recoverable amount is very sensitive to the discount rate used for the discounted cash flow model, and to entries of future funds expected at the growth rate used for the purposes of extrapolation, and therefore, the uncertainty is related to said estimate variables.

b) Taxes

The Company establishes allowances based on reasonable estimates. The amount of said allowances is based on various factors, such as experience with previous tax audits and the different interpretations of tax regulations by the entity subject to the tax and the tax authority in charge. Differences in the interpretation may result in a large number of issues according to the conditions that prevail at the legal address of the financial group entity.

The Deferred Tax Asset that results from tax losses is recognised for all the tax losses not used, provided it is likely that there will be a future tax profit available that can be used to compensate said losses.

Determination of the amount of the Deferred Tax Asset that can be recognised requires a significant level of judgment by the management, based on the timing and level of the future tax profit and of the future tax planning strategies. The Company has recognised a Deferred Tax Asset of ARS 74,172,615 as to December 31, 2012 which is presented in Note 12 “Tax Assets”.

Furthermore, the Company has an Assumed Minimum Income Tax credit of ARS 29,212,999 as to December 31, 2012 as it is expected to be recoverable before it is barred by the statute of limitations.

Note 29 includes more detailed information on the Corporate Income Tax.

4.23. Cash and cash equivalents

This includes cash, bank deposits, and other short-term ones, and highly liquid investments that are easily convertible into cash and are subject to a minimum risk of changing value.

The following is presented in cash and cash equivalents:

In the national legal tender: at its par value.

In foreign currency: These amounts were converted at the exchange rate in effect at the closing of the applicable period/fiscal year for liquidation of the respective transactions. Exchange rate differences were ascribed to the period’s profits and losses.

Financial assets such as Mutual Funds and commercial papers were classified as “Financial Assets at fair value with changes in income”, considering the nature and purposed established during the initial recognition.

(figures expressed in Argentine pesos)

The net earnings or losses for any income obtained resulting from financial assets were recognised in the income and classified as financial income in the consolidated statement of comprehensive income.

Note 5. Adoption of International Financial Reporting Standards, reconciliation

5.1. Reconciliations of consolidated financial statements to IFRS as to December 31, 2011 and 2010

		As to December 31, 2011			As to December 31, 2010		
	Ref.	Argentine GAAP (prior)	Transition effect	IFRS	Argentine GAAP (prior)	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	(78.681)	8.472.404	-	-	-
Other receivables	(b)	28.648.342	72.148.891	100.797.233	10.715.944	12.764.037	23.479.981
Credits with related parties		-	8.042.419	8.042.419	-	630.437	630.437
Inventories	©	278.530.330	546.127.150	824.657.480	-	509.034.131	509.034.131
Total current assets		392.777.213	626.239.779	1.019.016.992	188.675.275	522.428.605	711.103.880
Non-current assets							
Other receivables	(b)	19.481.776	(18.528.654)	953.122	14.143.866	(13.697.561)	446.305
Inventories	©	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	(f)	-	43.618.505	43.618.505	-	19.174.686	19.174.686
Subtotal non-current assets		656.635.968	(607.927.706)	48.708.262	499.545.876	(477.824.175)	21.721.701
Capital gain	(d)	38.908.915	104.632.083	143.540.998	34.777.969	98.204.044	132.982.013
Total non-current assets		695.544.883	(503.295.623)	192.249.260	534.323.845	(379.620.131)	154.703.714
Total assets		**1.088.322.096**	**122.944.156**	**1.211.266.252**	**722.999.120**	**142.808.474**	**865.807.594**

Ref.	Detail
(a)	Current investments (classified as such according to GAAP in effect as to that date) were reclassified as cash equivalents as provided for in IAS 7.
(b)	As to December 31 2011 and 2010, the most significant effect of the application of IFRS is due to the incorporation here of “Advance payments to suppliers” (previously classified under “Inventory” according to GAAP) and to the separate classification of “Current taxes” and “Deferred taxes” (classified here according to GAAP).
©	IAS 1 provides that the 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 suppliers 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 inventory at their net realization value (on the basis of percentage completion and sales) was written off, as well as certain triggered expenses that must be debited to the income for the period under IFRS. Moreover, Showroom items were reclassified as Fixed assets (Property, Plant, and Equipment).

(figures expressed in Argentine pesos)

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Note 5. Adoption of International Financial Reporting Standards, reconciliation (continued)

5.1. Reconciliations of consolidated financial statements to IFRS as to December 31, 2011 and 2010 (continued)

Ref.	Detail
(d)	Business combinations prior to December 31, 2010, were recalculated to yield new goodwill (Capital Gain). As required under IAS 36, the recoverability tests were performed, and no deterioration arose that would have to be included in the calculation of cash-generating units (CGU) that include recognised capital gains.

	Ref.	As to December 31, 2011			As to December 31, 2010		
		Argentine GAAP (prior)	Transition effect	IFRS	Argentine GAAP (prior)	Transition effect	IFRS
LIABILITIES							
Current Liabilities							
Trade debts	(e)	46.568.605	2.172.913	48.741.518	22.531.080	345.236	22.876.316
Loans		30.747.267	(14.204.607)	16.542.660	677.293	(398.472)	278.821
Wages and social security		2.370.807	(229.664)	2.141.143	790.019	6.852	796.871
Current tax liabilities		-	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
Outstanding sums with related parties	(e)		111.554.620	111.554.620		36.810.892	36.810.892
Advanced Payments of clients	(e)	188.982.769	222.246.890	411.229.659	-	190.910.277	190.910.277
Other liabilities		25.216.707	-	25.216.707	-	-	-
Total current liabilities		300.919.455	321.540.152	622.459.607	30.840.415	227.674.785	258.515.200
Non-current liabilities							
Trade debts	(e)	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	(f)	-	81.140.181	81.140.181	-	63.008.053	63.008.053
Advanced Payments of clients	(e)	277.372.003	(277.372.003)	-	227.322.697	(227.322.697)	-
Total non-current liabilities		360.757.102	(245.727.238)	115.029.864	240.114.354	(164.699.881)	75.414.473
Total liabilities		**661.676.557**	**75.812.914**	**737.489.471**	**270.954.769**	**62.974.904**	**333.929.673**
Third parties' interest in controlled companies		13.313.905	15.039.219	28.353.124	16.399.743	16.986.226	33.385.969
SHAREHOLDERS' EQUITY	(g)	**413.331.634**	**32.092.023**	**445.423.657**	**435.644.608**	**62.847.344**	**498.491.952**
Total liabilities, third parties' interests in controlled companies and shareholders' equity		**1.088.322.096**	**122.944.156**	**1.211.266.252**	**722.999.120**	**142.808.474**	**865.807.594**

(figures expressed in Argentine pesos)

Note 5. Adoption of International Financial Reporting Standards, reconciliation (continued)

5.1. Reconciliations of consolidated financial statements to IFRS as to December 31, 2011 and 2010: (continued)

Ref.	Detail
(e)	As provided in paragraph 70 of IAS 1, the Company has reclassified accounts payable and clients' advanced payments from non current to current entries, since they are part of the Company operating business cycle and has segregated the Outstanding sums with related parties to another item.
(f)	As required by IAS 1, Deferred tax balances are shown separately, regardless of being of assets or liabilities. In relation to Deferred Tax Assets, they are mostly accumulated tax losses and Minimum Presumed Income Tax. In relation to Deferred Tax Liabilities, these are tax effects resulting from calculating business combinations under IFRS.
(g)	See point 5.2 below.

5.2. Reconciliation of statement of evolution of shareholders' equity to IFRS as to December 31, 2011 and 2010

	As to December 31, 2011			As to December 31, 2010		
SHAREHOLDER'S EQUITY	Argentine GAAP (prior)	Transition effect	IFRS	Argentine GAAP (prior)	Transition effect	IFRS
Share capital	70.349.485	-	70.349.485	70.349.485	-	70.349.485
Premium of issuance	378.208.774	-	378.208.774	378.208.774	-	378.208.774
Reserve controlled companies	6.338.982	(6.338.982)	-	6.972.811	(6.972.811)	-
Capital contributions	-	5.923.463	5.923.463	-	-	-
Effects from inter-shareholder transactions	-	(13.749.943)	(13.749.943)	-	-	-
Statutory reserve	4.000	-	4.000	4.000	-	4.000
Special Reserve	-	46.257.485	46.257.485	-	69.820.155	69.820.155
Retained earnings	(41.569.607)	-	(41.569.607)	(19.890.462)	-	(19.890.462)
Total shareholders' equity attributable to Company	413.331.634	32.092.023	445.423.657	435.644.608	62.847.344	498.491.952
Non-controlling interests	-	28.353.124	28.353.124	-	33.385.969	33.385.969
Total shareholders' equity	**413.331.634**	**60.445.147**	**473.776.781**	**435.644.608**	**96.233.313**	**531.877.921**

Signed for identification purposes
with our limited revision report dated on March 8, 2012
Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 1 Page 68

By Supervisory Committee

Ignacio Fabián Gajst
Statutory Auditor

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 245 Page 74

Federico Nicolás Weil
President

(figures expressed in Argentine pesos)

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Note 5. Adoption of International Financial Reporting Standards, reconciliation (continued)

5.3 Reconciliation of consolidated statements of income as to December 31, 2011

	Ref.	As to December 31, 2011 Argentine GAAP (prior)	Transition effect	IFRS
Income		32.144.147	(16.992.724)	15.151.423
Cost of services rendered		(29.819.721)	4.859.781	(24.959.940)
Gross income		**2.324.426**	**(12.132.943)**	**(9.808.517)**
Income for valuation of inventory at net realization value	(1)	34.516.581	(34.516.581)	-
Commercialization expenses	(2)	(10.252.833)	(4.488.559)	(14.741.392)
Administrative expenses		(11.055.019)	-	(11.055.019)
Operating income		**15.533.155**	**(51.138.083)**	**(35.604.928)**
Long-term investment results		-	-	-
Goodwill depreciation	(3)	(5.958.220)	5.958.220	-
Other expenses		(70.422)	-	(70.422)
Net Financial and holding income		(19.107.228)		(19.107.228)
Other net income and expenses		3.241.409	(1.517.336)	1.724.073
Income for the fiscal year before Income Tax		**(6.361.306)**	**(46.697.199)**	**(53.058.505)**
Income Tax		(10.222.664)	23.875.304	13.652.640
Income for the fiscal year		**(16.583.970)**	**(22.821.895)**	**(39.405.865)**
Profit (loss) attributable to:				
Controlling owners	(4)	(21.679.145)	(23.562.670)	(45.241.815)
Non-controlling interests	(4)	5.095.175	740.775	5.835.950
		(16.583.970)	**(22.821.895)**	**(39.405.865)**

Ref.	Detail
(1)	The result of inventory valuation at net realization value ratably to percentage of work completion recognised under the General Accepted Accounting Principles has been reversed since income from inventory sales must be recognised as indicated by 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 General Accepted Accounting Principles had been triggered in inventory cost.
(3)	IFRS does not allow for calculation of goodwill amortization.
(4)	IFRS require that consolidated results be attributable to the entity, and that the interest attributable to the controlling company and non-controlling shareholders be shown at the bottom of the statement of comprehensive income.

(figures expressed in Argentine pesos)

Note 5. Adoption of International Financial Reporting Standards, reconciliation (continued)

5.3 Reconciliation of consolidated statements of income as to December 31, 2011 (continued)

2) Governing Standards

In the preparation of the reconciliations included in this Note, the Company Management has considered the same IFRS that were applicable to the preparation of these condensed consolidated financial statements as to September 30, 2012. However, the items and amounts included in these reconciliations may be modified to the extent that, when the annual financial statements are prepared in accordance with IFRS, new standards should be issued or the existing ones should be modified, applied on a mandatory or anticipated authorized fashion as to such date, or if a change to any of the exemptions indicated in IFRS 1 is opted for.

Accordingly, the condensed consolidated interim financial statements enclosed, the items and figures contained in the reconciliations between those standards are subject to changes and may only be deemed final when the annual financial statements for 2012 are prepared.

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

Note 6. Cash and cash equivalents

6.1. Structure of Cash and cash equivalents

	Notes	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
Cash				
In the national legal tender:		17.884	30.510	60.707
In foreign currency:	43	20.727	154.330	93.101
Banks				
In the national legal tender:		1.572.026	3.981.094	318.128
In foreign currency:	43	14.086.450	5.887.443	167.803.284
Funds to be deposited		3.035.986	1.482.884	210.248
Time deposits				
In the national legal tender:		3.624.200	-	6.220.399
In foreign currency:	34.5 y 43	941.561	813.780	-
Mutual funds				
In the national legal tender:		2.988.291	-	1.501.944
In foreign currency:	43	23.080.354	56.704.973	-
Commercial papers	43	7.101.148	7.992.442	-
Foreign Currency to be converted	43	-	-	1.751.520
Placements abroad	43	31.382.036	-	-
Total Cash and cash equivalents		**87.850.663**	77.047.456	177.959.331

Time deposits in local currency are funds placed with Banco Macro, under a 30-day renewable term and accrue an average annual interest of 16,00%.

Time deposits in foreign currency are funds placed with Banco Santander Río S.A., under a 30-day renewable term, accrueing an average annual interest of 0.40 %.

Mutual funds in local currency: a) as to December 31, 2012, there are funds placed without any maturity, with a par value of ARS 1,419,096, with a period-end market value of ARS 2.11.

(figures expressed in Argentine pesos)

Note 6. Cash and cash equivalents (continued)

6.1. Structure of Cash and cash equivalents (continued)

Mutual funds in foreign currency: a) as to December 31, 2012, there are mutual funds placed abroad, without maturity, for an initial cost of USD 357,382, with a period-end market value of USD 20,8; b) as to December 31, 2011, there are funds placed abroad, without maturity, for an initial cost of USD13,315,728, with a period-end market value of USD 0.99

Commercial Papers in foreign currency are a portfolio of unsecured notes issued by large foreign (US) banks and corporations. a) As to December 31, 2012, there are deposits in JP MORGAN, with a par value of USD 1,480,800, with a period-end market value of USD 0.9705; b) As to December 31, 2011, there are deposits in BNP PARIBAS US, with a par value of USD 2,000,000, with a period-end market value of USD 0.9372.

6.2. Information about non-monetary transactions

As to December 31, 2012, the Company had drafted bank checks for an total amount of ARS 1,200,000 (included under Other Receivables) in concept of ad referendum reserve of an asset over which the Company was conducting a process of due diligence or audit. The checks were in possession of a notary public acting as a guardian, and then were considered as an advanced payment for the purchase of that asset.

Note 7. Trade receivables

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Individual debtors in local currency		2.970.297	-	-
Individual debtors in foreign currency	43	2.687.849	8.472.404	-
Total trade receivables		**5.658.146**	8.472.404	-

The trade receivables mentioned above are measured at amortized cost. The Company has not recognised any allowance for bad debts after conducting an individual recoverability analysis of the receivables portfolio. The age of accounts receivable is as follows:

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Due within			
0 to 90 days	1.852.502	3.465.872	-
91 to 180 days	1.115.101	2.562.286	-
181 to 270 days	461.838	1.752.962	-
Over 271 days	-	374.541	-
Past-due			
0 to 90 days	1.866.352	282.977	-
91 to 180 days	-	12.906	-
Over 181 days	362.353	20.860	-
Total	**5.658.146**	8.472.404	-

(figures expressed in Argentine pesos)

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Note 8. Other receivables

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Current				
Added value tax		30.612.257	18.522.129	6.623.199
Gross Income Tax		3.659.236	238.984	632.267
Security Deposits		501.200	-	1.200.000
Insurance policies to be accrued in local currency		46.888	26.175	11.073
Insurance policies to be accrued in foreign currency	43	999.190	665.462	495.928
Advance payments to general suppliers in local currency		6.106.375	9.866	349.142
Advance payments to general suppliers in foreign currency	43	118.423	-	58.237
Advance payments to general work suppliers in local currency		55.176.558	57.979.423	12.086.216
Advance payments to general work suppliers in foreign currency	43	5.451.274	351.835	1.970.856
Advance payments to suppliers on inventory purchases	39.2 y 43	25.022.706	22.078.255	-
Other tax credits		-	-	47.702
Expenses to be recovered in local currency		1.188.044	507.583	-
Expenses to be recovered in foreign currency	43	-	2.558	3.761
Bad checks receivable		65.100	4.212	-
Rent receivable		107.335	116.434	-
Sundry receivables in local currency		324.121	227.268	1.600
Sundry receivables in foreign currency	43	40.958	67.049	-
Minus:				
Bad-debt allowance on other receivables	35.4	(325.392)	-	-
Total other receivables – Current		**129.094.273**	100.797.233	23.479.981

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Non-current				
Added value tax	43	2.474.050	146.472	-
Expenses to be accounted for		-	374.639	-
Security deposits in local currency		21.100	21.100	-
Security deposits in foreign currency	43	366.012	191.880	110.209
Insurance policies to be accrued in local currency		7.805	-	-
Insurance policies to be accrued in foreign currency	43	942.528	219.031	336.096
Total other receivables – Non-current		**3.811.495**	953.122	446.305

Note 9. Inventories

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
“Astor Palermo” urban real estate project	34.4	114.669.717	79.533.354	76.886.003
“Astor Caballito” urban real estate project	34.2	77.969.186	58.884.406	-
“FACA” urban real estate project		23.496.724	-	-
“Forum Alcorta” urban real estate project	34.1	317.209.628	194.958.048	150.405.918
“Venice” urban real estate project		74.346.180	71.164.113	69.494.199
“Astor Nuñez” urban real estate project		61.167.576	57.376.513	-
“Forum Puerto del Buceo” urban real estate project	34.6	187.505.287	843.276	-
“Forum Puerto Norte” urban real estate project		299.270.150	244.597.724	212.248.011
Finished units at “Forum Puerto Norte”		108.573.982	117.300.046	-
Minus:				
Impairment of “Forum Puerto Norte” urban real estate project		(40.664.475)	-	-
Impairment of finished units at “Forum Puerto Norte”		(15.546.037)	-	-
Total Inventories		**1.207.997.918**	824.657.480	509.034.131

(figures expressed in Argentine pesos)

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Note 10. Property, plant and equipment

	Chattels and supplies	Hardware	Leasehold improvements	Facilities	Showrooms	**Total**
Original value						
Balance as to January 1, 2012	469.507	496.242	727.661	3.087	5.257.417	**6.953.914**
Acquisitions	131.942	587.731	342.187	-	5.509.020	**6.570.880**
Decreases	-	-	-	-	-	-
Total as to December 31, 2012	601.449	1.083.973	1.069.848	3.087	10.766.437	**13.524.794**
Depreciation and impairment						
Balance as to January 1, 2012	(136.458)	(289.597)	(411.033)	(618)	(2.745.916)	**(3.583.622)**
Depreciations	(60.768)	(281.062)	(176.933)	(618)	(1.629.184)	**(2.148.565)**
Loss due to impairment	-	-	-	-	-	-
Total as to December 31, 2012	(197.226)	(570.659)	(587.966)	(1.236)	(4.375.100)	**(5.732.187)**
Residual value as to December 31, 2012	**404.223**	**513.314**	**481.882**	**1.851**	**6.391.337**	**7.792.607**

	Chattels and supplies	Hardware	Leasehold improvements	Facilities	Showrooms	**Total**
Original value						
Balance as to January 1, 2011	300.742	266.460	252.719	-	2.256.651	**3.076.572**
Acquisitions	168.765	229.782	474.942	3.087	3.000.766	**3.877.342**
Decreases	-	-	-	-	-	-
Total as to December 31, 2011	469.507	496.242	727.661	3.087	5.257.417	**6.953.914**
Depreciation and impairment						
Balance as to January 1, 2012	(82.562)	(153.274)	(249.487)	-	(717.672)	**(1.202.995)**
Depreciations	(53.896)	(136.325)	(161.546)	(618)	(2.028.244)	**(2.380.629)**
Loss due to impairment	-	-	-	-	-	-
Total as to December 31, 2011	(136.458)	(289.599)	(411.033)	(618)	(2.745.916)	**(3.583.624)**
Residual value as to December 31, 2011	**333.049**	**206.643**	**316.628**	**2.469**	**2.511.501**	**3.370.290**

	Chattels and supplies	Hardware	Leasehold improvements	Facilities	Showrooms	**Total**
Original value						
Balance as to January 1, 2010	232.918	118.356	252.719	-	470.869	**1.074.862**
Acquisitions	67.824	148.104	-	-	1.785.782	**2.001.710**
Decreases	-	-	-	-	-	-
Total as to December 31, 2010	300.742	266.460	252.719	-	2.256.651	**3.076.572**
Depreciation and impairment						
Balance as to January 1, 2010	(53.070)	(75.828)	(165.247)	-	(140.160)	**(434.305)**
Depreciations	(29.492)	(77.446)	(84.240)	-	(577.512)	**(768.690)**
Loss due to impairment	-	-	-	-	-	-
Total as to December 31, 2010	(82.562)	(153.274)	(249.487)	-	(717.672)	**(1.202.995)**
Residual value as to December 31, 2010	**218.180**	**113.186**	**3.232**	**-**	**1.538.979**	**1.873.577**

(figures expressed in Argentine pesos)

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Note 11. Intangible assets

	Software	Software development	Trademarks	Total
Original value				
Balance as to January 1, 2012	207.033	678.811	15.071	**900.915**
Acquisitions	26.572	542.199	6.293	**575.064**
Decreases	-	-	-	**-**
Total as to December 31, 2012	233.605	1.221.010	21.364	**1.475.979**
Amortization and impairment				
Balance as to January 1, 2012	(131.944)	-	(2.626)	**(134.570)**
Amortizations	(77.868)	(466.562)	(1.411)	**(545.841)**
Loss due to impairment	-	-	-	-
Total as to December 31, 2012	(209.812)	(466.562)	(4.037)	**(680.411)**
Residual value as to December 31, 2012	**23.793**	**754.448**	**17.327**	**795.568**

	Software	Software development	Trademarks	Total
Original value				
Balance as to January 1, 2011	188.798	98.973	3.510	**291.281**
Acquisitions	18.235	579.838	11.561	**609.634**
Decreases	-	-	-	**-**
Total as to December 31, 2011	207.033	678.811	15.071	**900.915**
Amortization and impairment				
Balance as to January 1, 2011	(62.933)	-	(1.215)	**(64.148)**
Amortizations	(69.011)	-	(1.411)	**(70.422)**
Loss due to impairment	-	-	-	**-**
Total as to December 31, 2011	(131.944)	-	(2.626)	**(134.570)**
Residual value as to December 31, 2011	**75.089**	**678.811**	**12.445**	**766.345**

	Software	Software development	Trademarks	Total
Original value				
Balance as to January 1, 2010	22.680	110.973	960	**134.613**
Acquisitions	166.118	-	2.550	**168.668**
Decreases	-	(12.000)	-	**(12.000)**
Total as to December 31, 2010	188.798	98.973	3.510	**291.281**
Amortization and impairment				
Balance as to January 1, 2010	-	-	(960)	**(960)**
Amortizations	(62.933)	-	(255)	**(63.188)**
Loss due to impairment	-	-	-	**-**
Total as to December 31, 2010	(62.933)	-	(1.215)	**(64.148)**
Residual value as to December 31, 2010	**125.865**	**98.973**	**2.295**	**227.133**

(figures expressed in Argentine pesos)

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Note 12. Tax assets

	Dec 31, 2012	Dec 31, 2011	Dec31, 2010
Income Tax	-	-	629.450
Assumed minimum income tax	29.212.999	18.528.654	8.986.729
Tax loss – local source	73.361.055	25.057.693	9.533.850
Tax loss – foreign source	32.158	32.158	24.657
Foreign net investment loss	779.402	-	-
Total Tax assets	**103.385.614**	43.618.505	19.174.686

Local and foreign source tax losses may be used until the following dates:

	Pesos		
Year	2012	2011	2010
2012	-	30.245	1.083.096
2013	724.768	3.529.677	1.558.415
2014	1.558.428	1.558.415	6.916.996
2015	6.936.866	6.916.996	-
2016	15.390.679	12.714.735	-
2017	49.561.874	339.783	-
Total	74.172.615	25.089.851	9.558.507

Note 13. Capital gain

	María Río Lujan S.A.	Maltería del Puerto S.A.	Pico y Cabildo S.A.	Canfot S.A.	**Total**
Original value					
Balance as to January 1, 2012	21.487.412	32.095.394	10.558.985	79.399.207	**143.540.998**
Acquisitions	-	-	-	-	**-**
Decreases	-	-	-	-	**-**
Total as to December 31, 2012	21.487.412	32.095.394	10.558.985	79.399.207	**143.540.998**
Impairment					
Balance as to January 1, 2012	-	-	-	-	**-**
Loss due to impairment (Note 40)	-	(32.095.394)	-	-	**(32.095.394)**
Total as to December 31, 2012	-	(32.095.394)	-	-	**(32.095.394)**
Residual value as to December 31, 2012	**21.487.412**	**-**	**10.558.985**	**79.399.207**	**111.445.604**

(figures expressed in Argentine pesos)

Note 13. Capital gain (continuación)

	María Río Lujan S.A.	Maltería del Puerto S.A.	Pico y Cabildo S.A.	Canfot S.A.	Total
Original value					
Balance as to January 1, 2011	21.487.412	32.095.394	-	79.399.207	**132.982.013**
Acquisitions	-	-	10.558.985	-	**10.558.985**
Decreases	-	-	-	-	-
Total as to December 31, 2011	21.487.412	32.095.394	10.558.985	79.399.207	**143.540.998**
Impairment					
Balance as to January 1, 2011	-	-	-	-	-
Loss due to impairment	-	-	-	-	-
Total as to December 31, 2011	-	-	-	-	-
Residual value as to December 31, 2011	**21.487.412**	**32.095.394**	**10.558.985**	**79.399.207**	**143.540.998**

	María Río Lujan S.A.	Maltería del Puerto S.A.	Pico y Cabildo S.A	Canfot S.A.	Total
Original value					
Balance as to January 1, 2010	-	-	-	-	-
Acquisitions	21.487.412	32.095.394	-	79.399.207	**132.982.013**
Decreases	-	-	-	-	-
Total as to December 31, 2010	21.487.412	32.095.394	-	79.399.207	**132.982.013**
Impairment					
Balance as to January 1, 2010	-	-	-	-	-
Loss due to impairment	-	-	-	-	-
Total as to December 31, 2010	-	-	-	-	-
Residual value as to December 31, 2010	**21.487.412**	**32.095.394**	**-**	**79.399.207**	**132.982.013**

Note 14. Trade debts

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 1, 2010
Current				
Suppliers in local currency		16.177.386	17.080.841	11.172.796
Suppliers in foreign currency	43	6.991.803	110.377	459.481
Deferred checks		22.265.879	8.201.099	7.267.535
Provision for expenditure in local currency		3.206.887	17.886.543	2.994.396
Provision for expenditure in foreign currency	43	302.447	747.547	61.729
Provision for works in local currency		9.683.745	1.056.797	-
Provision for works in foreign currency	43	-	928.050	-
Fees payable		-	3.450	-
Insurance policies payable in national currency		41.521	20.501	7.455
Insurance policies payable in foreign currency	43	1.315.961	397.659	487.636
Performance bond		117.605	68.521	37.128
Contingency fund in local currency		3.614.417	2.180.152	329.827
Contingency fund in foreign currency	43	20.426	59.981	55.410
Real estate purchase creditors	34.2 y 43	59.832.488	-	-
Sundry		-	-	2.923

(figures expressed in Argentine pesos)

Subtotal current Trade debts		**123.570.565**	48.741.518	22.876.316

Note 14. Trade debts (continuación)

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Non-current				
Insurance policies payable in foreign currency	43	506.742	-	-
Subtotal non-current Trade debts		506.742	-	-
Total Trade debts		**124.077.307**	48.741.518	22.876.316

Note 15. Loans

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Current				
Mortgage-backed bank loans in local currency	31.2.A	17.535.988	189.939	100.358
Mortgage-backed bank loans in foreign currency	31.2.B y 43	25.524.106	69.034	-
Bank loans in foreign currency	43	30.382.588	-	-
Other loans in local currency	31.1	6.457.166	-	-
Other loans in foreign currency	31.5 y 43	-	8.764.449	-
Current account advances in local currency		16.296.187	7.511.895	178.463
Current account advances in foreign currency	43	895.416	-	-
Corporate notes in local currency	44	6.978.126	-	-
Corporate notes in foreign currency	43 y 44	11.062.442	-	-
Sundry		-	7.343	-
Subtotal current loans		**115.132.019**	16.542.660	278.821
Non-current				
Corporate notes in local currency	44	12.752.431	-	-
Corporate notes in foreign currency	43 y 44	30.971.721	-	-
Mortgage-backed bank loans in local currency	31.2.A	-	15.528.000	12.000.000
Mortgage-backed bank loans in foreign currency	31.2.B y 43	-	17.987.044	-
Subtotal non-current loans		**43.724.152**	33.515.044	12.000.000
Total Loans		**158.856.171**	50.057.704	12.278.821

Following is a breakdown of activity in loans and financing arrangements:

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Opening balance	50.057.704	12.278.821	-
New loans and financing arrangements	102.039.984	28.408.769	12.000.000
Interests	2.236.484	4.885.653	100.358
Effects of exchange rate variation	7.357.274	1.496.409	-
Current account advances	9.679.708	6.934.960	178.463
Principal payments	(11.214.850)	-	-
Interest payments	(1.300.133)	(3.946.908)	-
Closing balance	**158.856.171**	50.057.704	12.278.821

(figures expressed in Argentine pesos)

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Note 16. Employees' benefits

	Notes	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
Wages payable		918.637	782.108	11.995
Social security contributions payable in local currency		898.900	670.150	217.581
Social security contributions payable in foreign currency	43	114.599	-	-
Provision for vacations		869.253	646.337	388.183
Federal Tax Payment Plan		-	272.212	172.260
Provision for Board of Directors' fees		76.239	67.220	40.000
Minus:				
Staff advances		(269.844)	(296.884)	(33.148)
Total Employees' benefits		**2.607.784**	2.141.143	796.871

Note 17. Current tax liabilities

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Assumed minimum income tax	4.901.152	4.288.299	3.813.884
Total Current tax liabilities	**4.901.152**	4.288.299	3.813.884

Note 18. Other tax burdens

	Notes	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
Current				
Added value tax		120.769	20.789	859.253
Gross Income Tax		725.284	288.605	462.581
Municipal Tax Payable		5.455	-	-
Stamp Tax		-	489.580	26.636
Net worth tax		1.279.753	-	-
Provision for net worth tax (Uruguay)	43	802.022	14.705	-
Federal Tax Payment Plan		-	-	527.005
Provincial Tax Payment Plan		-	406.420	552.072
Municipal Tax Payment Plan	35.4	79.696	72.976	45.412
Withholdings and earnings to be deposited		607.239	1.387.949	537.230
Registration and inspection duties		-	59.436	17.950
Sundry tax provisions	43	2.976	-	-
Other provincial taxes		-	4.541	-
Subtotal Other Current taxes payable		**3.623.194**	2.745.001	3.028.139
Non-current				
Provincial Tax Payment Plan		-	-	406.420
Municipal Tax Payment Plan	35.4	304.977	374.639	-
Subtotal Other Non-current taxes payable		**304.977**	374.639	406.420
Total Other tax burdens		**3.928.171**	3.119.640	3.434.559

(figures expressed in Argentine pesos)

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Note 19. Advanced Payments of clients

	Notes	Dec 31, 2012	Dec 31, 2011	Dec31, 2010
Early collections in local currency		207.355.009	44.685.864	24.816.315
Early collections in foreign currency	43	698.507.770	410.538.145	186.243.070
Stock sales advances		1.912.647	-	-
Minus:				
Added value tax		(68.394.656)	(43.994.350)	(20.149.108)
Total Advanced Payments of clients		**839.380.770**	411.229.659	190.910.277

Note 20. Other accounts payable

	Notes	Dec 31, 2012	Dec 31, 2011	Dec31, 2010
Inventory creditors	43	-	6.257.790	-
Long-term investment creditors	43	-	18.145.137	-
Sundry creditors	34.5 y 43	941.561	813.780	-
Sundry in local currency		16.746	-	-
Sundry in foreign currency	43	12.566	-	-
Total Other accounts payable		**970.873**	25.216.707	-

Note 21. Share Capital

	Dec31, 2012	Dec31, 2011	Dec31, 2010
Share paid-in capital	70.349.485	70.349.485	70.349.485
Additional paid-in capital	378.208.774	378.208.774	378.208.774
Inter-shareholder transaction	21.807.276	5.923.463	-
Total Share Capital	**470.365.535**	454.481.722	448.558.259

Issued share capital consists of:

	Dec31, 2012	Dec31, 2011	Dec31, 2010
Ordinary fully paid-up shares	70.349.485	70.349.485	70.349.485
Total ordinary fully paid-up shares	70.349.485	70.349.485	70.349.485

As to December 31, 2012, 2011 and 2010, the issued share capital subscribed for and paid up of the Company amounts to ARS 70,349,485. As to such date the share capital registered with the registry of business organizations for the City of Buenos Aires amounts to ARS 22,350,000.

As to December 31, 2012, 2011 and 2010, the Company capital is distributed as follows:

	Dec 31, 2012		Dec 31, 2011		Dec 31, 2010	
Shareholders	Shares	Interest	Shares	Interest	Shares	Interest
Federico Nicolás Weil	13.549.889	19 %	13.549.889	19 %	15.645.000	22 %
PDG Realty S.A. Empreendimentos e Participações	19.121.667	27 %	19.121.667	27 %	19.121.667	27 %
Holders of US certificates of deposit representing ordinary shares	14.550.435	21 %	17.548.905	25 %	16.005.710	23 %
Holders of Brazilian certificates of deposit representing ordinary shares	2.960.510	4 %	-	-	-	-
Other holders of ordinary shares	20.166.984	29 %	20.129.024	29 %	19.577.108	28 %
Total Share Capital	70.349.485	100 %	70.349.485	100 %	70.349.485	100 %

(figures expressed in Argentine pesos)

Note 21. Share Capital (continued)

	Dec31, 2012	Dec31, 2011	Dec31, 2010
Inter-shareholder transaction			
Opening balances	5.923.463	-	-
Acquisition of non-controlling interests (a)	-	5.923.463	-
Divestment of non-controlling interests (b)	15.883.813	-	-
Closing balance	**21.807.276**	5.923.463	-

As per IAS 27 (paragraph 30), charges in the interest held by a parent in a subsidiary that do not result in a loss of control are accounted for as shareholders' equity transactions (i.e. transactions with the owners as such.)

(a) This corresponds to the sale of 9.09% of Canfot S.A. at the beginning of the third quarter 2011. The price of the transaction totalled ARS 12,129,439 and the reduction in the non-controlling interest was ARS 6,205,976, and therefore the effect of inter-shareholder transactions was ARS 5,923,463.

(b) This corresponds to the acquisition of 15% of Maltería del Puerto S.A. at the closing o of the fourth quarter of 2012. See Note 38.4

Note 22. Reserves, accumulated earnings and dividends

	Dec31, 2012	Dec31, 2011	Dec31, 2010
Reserves			
Statutory reserve	4.000	4.000	4.000
Inter-shareholder transaction	(13.749.943)	(13.749.943)	-
Special reserve	46.257.485	46.257.485	69.820.155
Exchange rate differences for net investments abroad	(505.907)	-	-
Total reserves	32.005.635	32.511.542	69.824.155

	Dec31, 2012	Dec31, 2011	Dec31, 2010
(Deficit) / Accumulated earnings	(184.051.037)	(41.569.607)	(19.890.462)
Opening balances	(41.569.607)	(19.890.462)	
Total comprehensive income for the period / year	(142.481.430)	(21.679.145)	
Increase in statutory reserve	-	-	
Closing balance for the period / year	(184.051.037)	(41.569.607)	(19.890.462)

(figures expressed in Argentine pesos)

Note 22. Reserves, accumulated earnings and dividends (continued)

Dividend Policy

The Company Board of Directors establishes and files a motion with the Shareholders' Meeting regarding the convenience, timing and amount of dividends, as well as, if applicable, the capitalization of annual profits, when submitting its proposal for the distribution of profits/losses to the shareholder's meeting, in light of how the business and commitments undertaken by the Company have progressed and are being projected into the future. The Company does not have or 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 earning growth and to allow for value to be generated for its shareholders. See also the restrictions to the distribution of earnings (Note 46).

According to the Bylaws and the Business Organizations Act, the Company may declare dividends once or more, within any business year, and even pay anticipated dividends, pursuant to Section 224 (ii) of said Law, out of the realized net earnings as shown in the consolidated balance sheet of the Company, prepared in accordance with Argentine Generally Accepted Accounting Principle and the Regulations of the Argentine Securities and Exchange Commission as at the last day of that business year, or in special consolidated balance sheets in case of anticipated or interim dividends, providing that such dividend must be paid ratably to all holders of ordinary shares of the Company as at the pertinent record date.

All capital shares of the Company rank pari passu in terms of dividend payments.

Note 23. Income for usual activity of the company

	Dec31, 2012	Dec31,2011
Income for delivery of goods	69.684.185	15.151.423
Income for services rendered	2.933.536	-
Total Income for usual activity	**72.617.721**	15.151.423

Note 24. Cost of usual activity of the company

	Dec31, 2012	Dec31,2011
Inventory at start of period	117.300.046	-
Plus:		
Cost triggered during the period	77.648.338	140.832.217
Impairment	56.210.512	-
Minus:		
Inventory at end of period	108.573.982	117.300.046
Plus:		
Costs of services rendered		
Wages and social security contributions	2.141.704	1.048.157
Rent and maintenance fees	349.908	179.932
Transport and per diem	183.321	85.073
IT and services expenses	258.603	114.607
Total cost of usual activity	**145.518.450**	24.959.940

(figures expressed in Argentine pesos)

Note 25. Commercialization expenses

	Dec31, 2012	Dec31,2011
Wages and social security contributions	4.183.232	2.036.094
Other payroll expenses	-	65.552
Rent and utility bills	242.452	164.683
Professional fees	2.001.245	512.589
Taxes, duties and assessments	8.602.190	4.905.470
Transport and per diem	193.197	157.368
IT and service expenses	181.786	122.194
Impairment of fixed assets	1.629.184	2.028.244
Office expenses	82.708	-
Representation expenses	2.310	3.853
Insurance	225.702	95.668
Advertising expenses	5.832.018	3.385.327
Expenses for sales	760.183	58.041
Overhead	598.950	1.206.309
Total marketing expenses	**24.535.157**	14.741.392

Note 26. Administrative Expenses

	Dec 31, 2012	Dec31,2011
Wages and social security contributions	16.010.760	3.028.477
Other payroll expenses	55.433	99.694
Rent and utility bills	1.633.773	270.034
Professional fees	3.526.469	3.680.820
Directors' fees	151.430	180.000
Statutory auditing committee fees	407.800	324.750
IPO expenses	405.146	1.275.884
Taxes, duties and assessments	2.449.263	314.391
Transport and per diem	600.197	83.322
IT and services expenses	923.047	160.738
Impairment of fixed assets	519.381	352.385
Office expenses	960.998	414.966
Insurance	786.659	483.097
Donations	142.600	53.595
Consortium expenses	616.833	-
Overhead	807.519	332.866
Total administrative expenses	**29.997.308**	11.055.019

(figures expressed in Argentine pesos)

Note 27. Financial Results

	Dec 31, 2012	Dec 31,2011
Exchange difference		
Income from exchange differences	22.910.023	15.494.361
Costs from exchange differences	(90.418.230)	(37.033.078)
Total Exchange difference	(67.508.207)	(21.538.717)
Financial income		
Interest	9.226.294	4.335.716
Income from holding short-term investments	2.707.295	1.143.325
Income from sale of short-term investments	11.285.022	1.751.744
Sundry	-	589.826
Total Financial income	23.218.611	7.820.611
Financial costs		
Interests	(11.185.937)	(1.472.108)
Total Financial Costs	(11.185.937)	(1.472.108)
Other financial costs		
Banking expenses	(583.045)	(359.258)
Tax on bank debits and credits	(4.245.650)	(3.557.756)
Other uncollectable credits	(2.679.169)	-
Sundry	(3.721)	-
Total Financial Costs	(7.511.585)	(3.917.014)

The total financial costs as to December 31, 2012 and 2011 amount to ARS 101,604,167 and ARS 38,505,186, respectively, including "Costs from Exchange differences" and "Interests from financial costs".

Note 28. Other receivables

	Dec 31, 2012	Dec 31,2011
Rent earned	118.813	296.100
Revenues from administrative fees	670.653	1.258.368
Expenses Discovered	60.544	-
Sundry	76.474	169.605
Total Other Income	**926.484**	1.724.073

(figures expressed in Argentine pesos)

Note 29. Income Tax and Deferred Tax

The structure of "Income tax" determined in accordance with IAS 12, which is shown in the statement of income as to December 31, 2012 and 2011 is as follows:

	Dec 31, 2012	Dec 31, 2011
Income Tax	48.519.018	31.784.768
Deferred Tax	18.598.844	(18.132.128)
Total Income Tax	**67.117.862**	13.652.640

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

Assets from Deferred tax	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
Uncollectable credits	1.452.322	-	-
Property, plant and equipment	343.392	961.070	205.233
Subtotal assets from deferred tax	1.795.714	961.070	205.233
Deferred tax liabilities	**Dec31, 2012**	Dec31, 2011	Dec31, 2010
Short-term investments	(1.224.759)	(1.251.327)	(680)
Inventory valuation	(50.341.282)	(78.004.462)	(63.212.606)
Foreign currency valuation	-	(92.147)	-
Financial costs	(12.771.010)	(2.753.315)	-
Subtotal liabilities from deferred tax	(64.337.051)	(82.101.251)	(63.213.286)
Net position of assets/(liabilities) from Deferred Tax	**(62.541.337)**	(81.140.181)	(63.008.053)

Following there is a detailed description of the reconciliation between Income Tax charged to results and such as would result from applying the relevant tax rate to the accounting result before taxes

	Dec 31, 2012	Dec 31, 2011
Income Tax calculated at the current rate on the accounting result before taxes	77.747.272	18.570.477
Permanent differences	(10.629.410)	(4.917.837)
Income Tax	**67.117.862**	13.652.640

(figures expressed in Argentine pesos)

Note 30. Leases

The Company has entered into operating leases regarding the lease of the Company administrative and commercial offices. Payments affected under these operating leases are recognized as expenses when accrued. The leases signed do not contain any contingent rent clauses or purchase options, or other restraints.
Following is the most relevant information on these leases: The company has entered into two operating leases for the offices located on the 1st and 3rd floors of the building located on Avenida Scalabrini Ortiz 3333 in the City of Buenos Aires on May 21, 2008, and their renewal on May 18, 2011 and March 3rd 2011, respectively. Directive, Management and Marketing activities are conducted in those offices.

Besides that, on April 8th, 2011, the Company entered into a lease on an office located in a property on Beruti street in the City of Buenos Aires, where marketing activities are being conducted in relation to the "Astor Palermo" real estate project.

	Payments due under the operating leases		
	In 1 year	**In 1 to 5 years**	**In over 5 years**
	ARS	**ARS**	**ARS**
December 31, 2012	380.043	1.738.011	-
December 31, 2011	1.157.898	1.738.011	-
December 31, 2010	981.012	2.895.909	-

Note 31. 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 accrued interest at a nominal annual rate on outstanding balances, which was paid in twelve consecutive monthly installments starting on the month following execution of the loan agreements, repaying principal with the last installment.

   The description of each loan agreement executed is detailed below:

#	Date	Amount	Rate
1	31/05/2011	USD 505.317	10,50 %
2	13/06/2011	USD 505.323	10,59 %
		USD 1.010.640	

USD: United States dollars

On September 17, 2012 a new loan agreement was entered into with Sociedad Italiana, for the amount of ARS 6,547,165. Due to the maturity of the above mentioned loans, both parties agreed to completely charge the previous amount to the payment of the remaining balance of the loans owed, being the debt repaid totally and definitely.

The new disbursed capital will accrue an interest at a nominal annual rate on outstanding balances which will be paid in five consecutive monthly instalments, starting on October 2012, repaying principal with the last instalment on February 28, 2013. As to the date of issuance of these financial statements, the Company has partially paid the amount of ARS 1,500,000. The remaining amount will be paid during March, 2013.

The amounts outstanding under the above mentioned agreements, as to 31 de diciembre de 2012,2011 y 2010, ascienden a:

	Loans		
Date	**Current**	**Non-current**	**Total**
31/12/2012	6.457.166	-	6.457.166
31/12/2011	-	-	-
31/12/2010	-	-	-

The figures shown in the preceding table are shown under "Loans" in current liabilities.

(figures expressed in Argentine pesos)

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Note 31. Loans (continued)

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 amount of ARS 30,000,000. Following is a summary of the sums disbursed by the Bank.

#	Date	Total Amount
1	17/06/2010	$ 12.000.000
2	29/06/2011	$ 518.400
3	29/07/2011	$ 457.200
4	30/08/2011	$ 185.400
5	07/10/2011	$ 527.400
6	31/10/2011	$ 475.200
7	02/12/2011	$ 1.170.000
8	29/12/2011	$ 194.400
9	30/01/2012	$ 270.000
10	14/03/2012	$ 52.200
11	16/04/2012	$ 284.400
12	09/05/2012	$ 176.400
13	06/06/2012	$ 216.000
14	05/07/2012	$ 131.400
15	31/07/2012	$ 104.400
16	06/09/2012	$ 81.000
17	17/10/2012	$ 97.200
18	02/11/2012	$ 162.000
19	06/12/2012	$ 259.200
		ARS 17.362.200

The balance on the loan i.e., the sum of ARS 13,156,200, 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 by the company –to full satisfaction of the Bank- of certain information on the project.

II. The term established was 36 months. The principal loaned should be reimbursed by Canfot S.A. to the Bank in pesos, within a maximum, non-extendable deadline of June 15, 2013. On March 6, 2013 the Company requested and the Bank granted an extension of the terms to June 15, 2014. Said company is allowed the possibility of making prepayments with funds obtained from presales of units from the undertaking, without any kind of penalty being applied by the Bank.

I. All the amounts disbursed by the Bank will accrue, until their full payment, interest on the amount outstanding at the end of each monthly period, equivalent to the "BADLAR Bancos Privados Corregida" rate, plus a margin of 550 basis points.

The amounts outstanding under the above mentioned agreements, as to December 31, 2012, 2011 and 2010, are:

	Loans		
Date	Current	Non-current	Amount
31/12/2012	17.535.988	-	17.535.988

(figures expressed in Argentine pesos)

31/12/2011	189.939	15.528.000	15.717.939
31/12/2010	100.358	12.000.000	12.100.358

Note 31. Loans (continued)

A) Construction Financing Agreement secured by a mortgage in United States Dollars:

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

#	Date	Total Amount
1	19/08/2011	USD2.800.000
2	29/08/2011	USD100.019
3	07/10/2011	USD285.007
4	31/10/2011	USD256.798
5	02/12/2011	USD632.268
6	29/12/2011	USD105.054
7	30/01/2012	USD145.908
8	14/03/2012	USD28.200
9	16/04/2012	USD153.689
10	09/05/2012	USD94.576
11	06/06/2012	USD116.726
12	08/07/2012	USD71.000
13	31/07/2012	USD56.400
14	06/09/2012	USD44.522
15	17/10/2012	USD52.527
16	02/11/2012	USD87.545
17	06/12/2012	USD140.071
		USD 5.170.310

The balance on the loan, i.e. the sum of USD 6,829,690 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.

II. 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. On March 6, 2013 the Company requested and the Bank granted an extension of the terms to June 15, 2014. Canfot S.A. is allowed the possibility of making prepayments with funds obtained from presales of units from the undertaking, without any kind of penalty being applied by the Bank

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

The amounts outstanding under the above mentioned agreements, as to December 31, 2012 and 2011, are:

	Loans		
Date	Current	Non-current	Amount
31/12/2012	25.524.106	-	25.524.106
31/12/2011	69.034	17.987.044	18.056.078
31/12/2010	-	-	-

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

(figures expressed in Argentine pesos)

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Note 31. Loans (continued)

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” urban project. In all cases the disbursement of 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 date..

   The description of each credit facility applied by Maltería del Puerto S.A., as to December 31, 2012 is detailed below:

Shareholder	#	Date	Total Amount	Amount requested	Amount paid	Rate
Osvaldo Roberto Paladini	**1**	11/04/2011	USD 400.000	USD 400.000	USD 400.000	9%
	2	20/05/2011	USD 400.000	USD 400.000	USD 400.000	11%
Juan Carlos Rossetti	**1**	12/04/2011	USD 400.000	USD 400.000	USD 400.000	9%
Eduardo Rubén Glusman	**1**	15/04/2011	USD 400.000	USD 300.000	USD 300.000	9%
Juan Carlos Paladini	**1**	15/04/2011	USD 800.000	USD 800.000	USD 800.000	9%
	2	18/07/2011	USD 200.000	USD 200.000	USD 193.939	9%
			USD 2.600.000	USD 2.500.000	USD 2.493.939	

   USD: United States dollars

   Due to the agreements entered with the shareholders (see Note 38.4), as to December 31, 2012 the outstanding is wholly paid.

   As to December 31, 2011 the outstanding pending cancellation was ARS 11,364,748.

4. On December 15, 2012, Marina Río Luján S.A. applied with its shareholders for a credit facility totaling USD 750,000 each to finance works and other expenses related to the development and construction of the project. The disbursement of the funds had 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 accrued current interest at a nominal 8% annual rate, calculated on disbursed principal, and had to be paid together with principal on the stipulated due date.

   On December 15, 2011, Marina Río Luján S.A. 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. On April 12 and 16, 2012, The Company repaid all the sums accruing as of the date in connection with these loans.

   On October 4, 2011, Marina Río Luján S.A. applied with its shareholders for a credit facility totaling USD 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 accrues 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. To that date, an extension was requested for each of the credit lines to be payable on December 15, 2012, capitalizing the toal amount of interests.

   As to the date of issuance of these financial statements the parties are re negotiating an extension of this loan deadline.

(figures expressed in Argentine pesos)

Note 31. Loans (continued)

The amounts outstanding under the above mentioned credit facilities, as to December 31, 2012, 2011 and 2010, are:

Loans			
Date	Current	Non-current	Amount
31/12/2012	884.767	-	884.767
31/12/2011	2.839.859	-	2.839.859
31/12/2010	398.472	-	398.472

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 instalments starting on the month following execution of the loan agreements, repaying principal with the last instalment.

The description of each loan agreement executed is detailed below:

#	Date	Total	Rate
1	29/07/2011	USD 505.310	10,14 %
2	29/07/2011	USD 505.310	10,14 %
		USD 1.010.620	

4. USD: United States dollars

5. On August 24, 2012 the loans have been fully repaid. As to December 31, 2011, the balance of said loan was of ARS 8,764,449.

6. FDB S.A. entered into two loan agreements with Banco Santander Uruguay on December 24, 2012 for a total amount of ARS 6.175.000. the detail for each loan is as follows:

#	Date	Amount	Rate	Maturity
1	24/12/2012	USD 2.500.000	2,5058%	17/10/2013
2	24/12/2012	USD 3.675.000	2,5027%	21/11/2013
		USD 6.175.000		

USD: United States dollars.

Both loans will be paid each in a single instalment at their respective maturity dates, jointly with their accrued interests.

Note 32. Related Parties

a) As to September 30, 2012 and December 31, 2011 and 2010, the amounts outstanding with companies as per section No. 33 – Law No. 19550 and other related parties, classified as per the nature of the transaction, are as follows

TRADE RECEIVABLES	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
In the national legal tender:			
Marina Río Luján S.A.	19.429	78.681	-
AGL S.A.	1.315.000	-	-
	1.334.429	78.681	-

(figures expressed in Argentine pesos)

Note 32. Partes relacionadas (continuación)

a) As to September 30, 2012 and December 31, 2011 and 2010, the amounts outstanding with companies as per section No. 33 – Law No. 19550 and other related parties, classified as per the nature of the transaction, are as follows: (continued)

OTHER RECEIVABLES

In the national legal tender:	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
Individual shareholders	2.374.617	910.282	356.176
PDG Realty S.A. Empreendimentos e Participações	1.229.620	842.516	250.455
Other shareholders	1.976.747	909.086	-
Directors	111.024	32.631	23.806
	5.692.008	2.694.515	630.437
In foreign currency:			
Alto Palermo S.A.	-	2.480.737	-
Individual shareholders	884.193	2.788.486	-
	884.193	5.269.223	-
Total credits with related parties	**7.910.630**	**8.042.419**	**630.437**

TRADE DEBTS

In foreign currency:			
IRSA Inversiones y Representaciones S.A.	26.711.763	42.224.900	-
	26.711.763	42.224.900	-

LOANS

In foreign currency:			
Individual shareholders	884.767	14.204.607	398.472
	884.767	14.204.607	398.472

ADVANCED PAYMENTS OF CLIENTS

In the national legal tender:			
Individual shareholders	1.480.385	4.022.989	1.103.347
	1.480.385	4.022.989	1.103.347
In foreign currency:			
Individual shareholders	4.834.453	4.088.507	2.931.587
Alto Palermo S.A.	69.007.438	35.048.466	32.377.486
IRSA Inversiones y Representaciones S.A.	45.467.624	11.965.151	-
	119.309.515	51.102.124	35.309.073
Total outstanding sums with related parties	**148.386.430**	**111.554.620**	**36.810.892**

b) As to December 31, 2012 and 2011, the most significant operations with companies as per section No. 33 – Law No. 19550 and other related parties were as follows:

	Profit/(Loss)	
	Dec31, 2012	Dec31, 2011
SERVICES PROVIDED		
Marina Río Luján S.A.	-	290.879
AGL S.A.	1.086.777	-
	1.086.777	290.879

(figures expressed in Argentine pesos)

Note 32. Related Parties (continued)

b) As to December 31, 2012 and 2011, the most significant operations with companies as per section No. 33 – Law No. 19550 and other related parties were as follows:

	Profit/(Loss)	
FINANCIAL RESULTS	**Dec 31, 2012**	Dec 31, 2011
Marina Río Luján S.A.		(235.750)
Alto Palermo S.A.	(6.248.452)	(2.394.324)
IRSA Inversiones y Representaciones S.A.	(8.195.664)	(2.443.927)
Individual shareholders	(3.592.833)	(216.392)
	(18.036.949)	(5.290.393)

PAYMENT MADE ON BEHALF OF AND TO THE ORDER OF THIRD PARTIES	**Dec 31, 2012**	Dec 31, 2011
Individual shareholders	1.750.042	489.343
PDG Realty S.A. Empreendimentos e Participações	387.104	592.062
Other shareholders	753.851	-
Directors	77.693	-
	2.968.690	1.081.405

COLLECTION ON SERVICE PROVIDED AND LOANS		
Alto Palermo S.A.	2.529.350	-
Maltería del Puerto S.A.	-	-
IRSA Inversiones y Representaciones S.A.	19.824.592	-
Marina Río Luján S.A.	-	272.453
Individual shareholders	-	-
	22.353.942	272.453

LOANS MADE		
Alto Palermo S.A.	-	2.226.560
Marina Río Luján S.A.	-	2.113.125
	-	4.339.685

LOANS RECEIVED		
Individual shareholders	-	12.441.433
	-	12.441.433

RECEIVED ADVANCED PAYMENTS OF CLIENTS		
Alto Palermo S.A.	27.681.460	-
IRSA Inversiones y Representaciones S.A.	29.618.264	-
Individual shareholders	3.242.604	8.111.496
	60.542.328	8.111.496

c) As to December 31, 2012 and 2011, transactions with key personnel were as detailed below:

	Dec 31, 2012	**Dec 31, 2011**
Short-Term Employees' benefits	5.065.392	2.585.218
Social Security	784.481	446.485
Total	**5.849.873**	**3.031.703**

(figures expressed in Argentine pesos)

Note 32. Related Parties (continued)

c) As to December 31, 2012 and 2011, transactions with key personnel were as detailed below: (continued):

On December 13, 2011, the Company Board of Directors provided that its Senior Management Departments, pursuant to Section 270 of the Business Organizations Act, are as follows:

- *General Management*
- *Financial Management*
- *Operations Managemetn*
- *Human Resources, Technology and Process Management*

Thus, TGLT key personnel consists of the persons in charge of these Management Departments (4 people).

Note 33. Breakdown by maturity of and interests rates on credits, tax assets and debts

a) Classification of credits, tax assets and debt balances according to maturity:

Credits/Tax assets	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
Due within			
Up to 3 months	75.976.665	94.807.762	22.236.655
From 3 to 6 months	1.367.037	17.038.177	755.987
From 6 to 9 months	764.700	1.922.355	111.838
From 9 to 12 months	161.390	532.502	101.449
Over 12 months	107.197.109	44.571.627	19.620.991
No specific due date	61.389.549	2.694.516	904.489
Past-due			
Up to 3 months	1.979.197	233.942	-
From 3 to 6 months	502.264	82.802	-
From 6 to 9 months	9.546	-	-
From 9 to 12 months	41.548	-	-
Over 12 months	471.153	-	-
	249.860.158	161.883.683	43.731.409
Debts			
Due within			
Up to 3 months	339.914.774	142.314.836	26.413.753
From 3 to 6 months	80.848.109	53.658.694	4.046.422
From 6 to 9 months	22.688.770	58.590.830	154.220
From 9 to 12 months	60.523.352	45.541.315	144.258
Over 12 months	841.674.990	436.570.016	303.089.259
No specific due date	-	813.780	81.761
	1.345.649.995	737.489.471	333.929.673

(figures expressed in Argentine pesos)

Note 33. Breakdown by maturity of and interests rates on credits, tax assets and debts (continued)

b) Credit, tax asset and debt balances accruing interest and otherwise are shown below:

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Credits / Tax assets			
Accruing interests	4.216.680	5.601.129	788.925
Non accruing interests	245.643.478	156.282.554	42.942.484
	249.860.158	161.883.683	43.731.409
Average nominal anual rate	9%	7%	8%
Debts			
Accruing interests	191.276.632	64.281.935	14.502.615
Non accruing interests	1.154.373.363	673.207.536	319.427.058
	1.345.649.995	737.489.471	333.929.673
Average nominal anual rate:	16%	15%	18%

Note 34. 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 31, Canfot S.A. attached its real estate on which it is building the "Forum Alcorta" project, with a first-priority mortgage.

As to December 31, 2012, the recorded value of the mortgaged property mentioned above totals ARS 317,209,628 (including land value and works in progress) and is included under the entry "Inventory" under current assets..

7. To secure the obligations assumed by the Company as a result of its purchase of the property where the "Astor Caballito" project is being developed (see note 39.3), the company furnished a first-priority mortgage in favour of IRSA Inversiones y Representaciones S.A. (hereinafter "IRSA") over said property. Additionally, and to secure that operation, the Company furnished a frist-priority pledge in favor of IRSA over the shares it holds in Maltería del Puerto S.A.

As to December 31, 2012, the recorded value of the mortgaged property mentioned above totals ARS 77,969,186 (including land value and works in progress),and is included under the entry "Inventory" under current assets..

As at December 31, 2012, the outstanding debt on the aforementioned purchase totals ARS 59,832,488, which is included under the entry "Trade debts" under current liabilities.

8. On December 27, 2007, Marinas Río de la Plata SL and Marcelo Gomez Prieto entered into two Stock Pledge Agreements, one in favour of Marcelo Gómez Prieto and the other in favour of Marinas Río de la Plata SL (hereinafter, the "Stock pledge Agreements"). Pursuant to said agreements, each party granted the other, as security for the fulfilment of the financing obligations by both in connection with Marina Río Luján S.A., a first-priority security interest pursuant to Section No. 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 Pledger under each of the Stock Pledge Agreements. Following is a description of the financing obligations secured under the Stock Pledge Agreements:

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Note 34. Restricted assets (continued)

I. 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.

II. First, Marcelo Gomez 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. For these purposes, Marina Río Luján S.A. will accept third-party financing on arm's length terms. In the event that said third party financing is not disbursed, each party will provide financing to the other for up to the amount of USD 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.

9. To secure the obligations assumed by the Company as a result of its purchase of the property where the "Astor Palermo" project is being developed (see note 39.1), the company furnished a first-priority mortgage in favour of Alto Palermo S.A. (hereinafter "APSA") over said property. The mortgaged amount is USD 8,143,231.

As to December 31, 2012, the recorded value of the aforementioned mortgaged property amounts to ARS 114,669,717 and is included under the entry "Inventories" under the current assets.

As to December 31, 2012, the outstanding debt on the aforementioned purchase totals ARS 69,007,438 which is included under the entry "Debts with related parties" in Advanced Payments of clients under Current Liabilities.

10. As a result of certain demolition activities conducted in September, 2006 in the premises where the "Astor Nuñez" Urban Project is being developed, Pico y Cabildo S.A. was served with process regarding a suit for "damages due to proximity" in 2009. The case is held before the 89th Civil Trial Court and the amount claimed is about ARS 440,000.

On August 24, 2012, the Court granted a motion to dismiss based on the statute of limitations, which had been filed by the Company; such court decision was appealed by the plaintiff. The file is about to be sent to the Court of Appeals.

Likewise, and as a consequence of the acquisition of shares of 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 on behalf of Pico y Cabildo S.A., which would be used solely to pay any obligations arising out of the outcome of the claim filed against the Company.

Consequently, current assets includes the sum of ARS 941,561 under the entry "Cash and Cash Equivalents", and the sum of ARS 941,561 is included in current liabilities under the entry "Other accounts payable."

11. On January 5th, 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 39.4), FDB S.A. furnished with a first-priority mortgage in favour of Hèctor Fernando Colella Moix, Maria Eugenia Ortiz Fissore y Tomás Romay Buero (in their applicable proportions) on that property. The mortgaged amount is USD 23,600,000.

Additionally, in connection with the same operation, the Company became joint-and-several guarantor, purely and simply, and principal payer, waiving the benefits of discussion and division, and also waving any defense accruing from FDB 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. The security will be effective until all the secured obligations have been discharged.

As to December 31, 2012, the recorded value of the mortgaged property mentioned above totals ARS 187,505,287 (including land value and works in progress), and is included under the entry "Inventory" under current assets. Furthermore, FDB S.A. had discharged part of the obligation on the amount of USD 6,000,000

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Note 35. Claims

35.1. Health and 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 regarding violations and the number of personnel members affected by each violation, offering respective evidence. Once that evidence was produced, the Commission must issue a resolution, determining whether these violations did in fact take place or not, and, if applicable, imposing the penalties due to violations. One of the proceedings ended in the application of a penalty of ARS 12,000, cancelled by a Subcontractor of Maltería del Puerto S.A.

During the last quarter of the fiscal year 2013, Maltería del Puerto S.A. was summoned thrice as joint-and-several guarantor of Constructora Sudamericana S.A. for a subcontractor's alledged violation to safety and health obligations

As to the date of these condensed 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. However, as to the date of these condensed consolidated financial statements, said entity had not issued such decision. If monetary penalties are imposed, they must be paid, even if an appeal is filed with the Labour Court of Appeals in and for the Province of Santa Fe, under penalty of collection by way of coercion and shutdown of the Works.

The Company board of Directors is of the opinion that the resolution issued on the aforementioned administrative proceedings will not entail any significant material losses for the Company, and therefore it had not recognised any debt in relation to this as December 31, 2012.

35.2. Labor matters

As to September 30, 2012, Maltería del Puerto S.A. had been served process regarding three labor claims in its capacity as owner of the "Forum Puerto Norte" urban project, and as joint-and-several guarantor of the labor obligations of certain subcontractors in connection with three labor claims.

As of the date of these condensed consolidated financial statements, it was impossible to quantify the potential contingencies the Company could face because the service of those claims did not state the amounts claimed. Nevertheless, the Board of Directors of the Company and its legal counsel estimate that the resolution of said claims should not generate significant losses for the Company.

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35.3. Ingeniero Milia S.A.

On January 5, 2012, Maltería del Puero and the Company learned that Ingeniero Guillermo Milia S.A. (IGM), a contractor that both companies hired for the provision of concrete and mansory service in the "Forum Puerto Norte" and "Astor Caballito" urban projects, respectively, had not paid the ages corresponding to 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 commercial 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 request for information from the Construction Workers' Trade Union of the Argentine Republic (UOCRA) and from the Construction Personnel Health Insurance Corporation (OSPECON), in relation to the personnel affected at those works hired through IGM. On January 25, 2012, said entities assessed a debt of ARS 217,846 and ARS 78,745, making this claim extensive to Maltería del Puerto S.A. and the Company, respectively, on a joint-and-several bases, pursuant to Law No. 22550, section 32.

Besides, during December 2011, both companies signed collective employment agreements in relation to the IGM personnel assigned to the "Forum Puerto Norte" and "Astor Caballito" works, respectively. Thus, in their capacities as owners of both urban projects 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 owned under the supervision of the Argentine Ministry of Labor, in addition to their supplementary annual salary, unemployment fund and final settlement.

Note 35. Claims (continued)

35.3. Ingeniero Milia S.A. (continued)

Additionally, 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 4^{th} Circuit in and for the City of Rosario, Province of Santa Fe, to issue a restraining order against IGM and Carlos Domingo Tonsich and Gabriel Alejandro Pierre, in connection with the preliminary purchase agreements for functional units in the Forum Puerto Norte Project, executed pursuant to Letter Offers regarding the provision of concrete and masonry services, sent in due course by IGM to the Company. The Judge in charge of said Court granted the petition filed. On April 12, 2012, the Company filed a claim against IGM, Carlos Domingo Tonsich and Gabriel Alejandro Pierre.

As advised by the legal counsel of Maltería del Puerto S.A. Guillermo Alejandro Pierre and Carlos Domingo Tonsich, in their capacities as assignees of preliminary purchase agreements for units in Forum Puerto Norte, would be able to file a claim against the Company as a consequence of the restraining order above mentioned.

Likewise, in February 2012, IGM filed an insolvency petition before the Civil and Commercial Trial Court No. 1 in and for the City of Olavarría, in the case “Ingeniero Guillermo Milia S.A. s/Concurso Preventivo.”

Maltería del Puerto and the Company have appeared in court as unsecured creditors, claiming credits for the amount of ARS 9,085,156 and ARS 1,293,689, respectively. On September 12, 2012, the Court disregarded the proof of claims filed by Maltería del Puerto as unsecured creditor.

For this reason, on October 12^{th}, 2012, Maltería del Puerto filed a motion for review in the proceedings. On December 27, 2012 TGLT was notified about IGM SA’s review of its credit. TGLT answered the proceedings on February 12, 2013. As to December 2012, Maltería del Puerto Board of Directors decided to set up an allowance for the amount of ARS 2,353,777, included in the entry “Inventories” under the current assets.

35.4. Worksite Advertising and Fencing

On July 8, 2011, Dirección General de Rentas (General Revenue Bureau, dependent of the Governmental Administration of Public Revenue of the City of Buenos Aires) drafted a resolution for the works where “Forum Alcorta” urban project is being developed, due to an alleged failure to pay advertising fees regarding the fencing surrounding the site and alleged failure to pay the fee for occupying the street right-of-way with the fence, understanding that the same had been placed on the street right of way (at a distance of approximately 35 centimeters from the municipal line).

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

As to the fee for occupying the street right-of-way, on November 3, 2011, Canfot S.A. adhered to a payment plan for the total amount of ARS 591,770 (including principal and interest), to be paid in 60 monthly instalments.

Additionally, 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 agreed to pay or repair all damages caused by advertisement bills and/or perimeter fences.

As to December 31, 2012, the outstanding liability totaled ARS 384,673 (principal and interest), included in the entry “Other tax burdens” under current liabilities totalling ARS 79,696 and under non-current liabilities totalling ARS 304,977.

As to December 31, 2012, it has been decided to establish an allowance for likelihood of uncollectabilitty for that credit in the sum of ARS 325,392.

Note 36. Preliminary Injunction

36.1. Astor Palermo Project

On June 9, 2011, the Trial Court on Administrative and Tax Matters No. 9, Clerk's Office No. 18, granted a preliminary injunction in Court Record No. 41.544 "Asociación de Amigos Alto Palermo c/ Gobierno de la Ciudad Autónoma de Buenos Aires Sobre Amparo". Such injunction suspends the construction of the work of the premises located on Beruti No. 3351/59 between Bulnes street and Coronel Díaz Avenue of the City of Buenos Aires. Pursuant to paragraph II of said resolution, the suspension will remain in force until the Government of the City of Buenos Aires adds the administrative records No. 28831/2009 and 10788/2009 to the court record, whereby it has granted authorization for the construction of an apartment building with residential and commercial parking lots, to be built by the Company on that property. On July 4, 2011, the Government of the City of Buenos Aires complied with this petition. On July 11, 2011, the acting judge granted the requested preliminary injunction. Said preliminary injunction was granted until all the evidence offered by the parties was produced, as well as any other evidence as might be required by the Court in due procedural course. On July 15, 2011, the Company appealed from the resolution that granted this injunction, and said resolution was reversed.

On October 4, 2011, the plaintiff filed a brief (new fact) related to a request of reports on the conditions in which the project and its performance were authorized. Such new fact were answered, both on the appeal and in the principal court record. On April 26, 2012, the Appellate Court decided to reverse the trial's court decision and lifted the injunction that had suspended resumption of works at Astor Palermo.

As to the date of issuance of these condensed consolidated financial statements, the Company has resumed the works and commercialization of said project. Notwithstanding the foregoing, the main court record "Asociación Amigos Alto Palermo c/Gobierno de la Ciudad Autónoma de Buenos Aires s/Amparo" is on the discovery period.

36.2. Astor Caballito Project

By means of a resolution on August 14, 2012, Room I of the Court of Appeals on Administrative and Tax Matters in and for the City of Buenos Aires, granted a preliminary injunction on the connected court records in the cases: "Asociación Civil y Vecinal SOS Caballito c/ GCBA s/ amparo" and "Asociación Civil Basta de Demoler c/ GCBA s/ amparo " both being handled by the Trial Court on Administrative and Tax Matters No. 14 in and for the city of Buenos Aires. Said injunction provides for the suspention of the construction of the works on the premises of "Astor Caballito" project, located in the block surrounded by Mendez de Andés Street 621/25/39/53/59, Colpayo 624/26/28/36/38/44, Felipe Vallese 702/24738/42/50/54 and Rojas 629/31/33/35/37/38/41/49/77, of the City of Buenos Aires.

For this reason, the Company filed an appeal for review by the Trial court, having subsidiary appellation to a Superior Court. As to the date of issue of these consolidated condensed financial statements, said Superior Court has not issued a decision.

Note 37. Management, development and administration agreements

37.1. Canfot S.A.:

On October 27, 2009, Canfot S.A. and the Company entered into a management agreement by which Canfot S.A. entrusted the Company with the management, administration, accounting and other aspects related to the operation and exploitation of "Forum Alcorta Project."

On account of said services, the parties agreed on the payment of 48 monthly installments of USD 67,000 plus the Added Value Tax in favour of the Company which cannot exceed 2% of the project's aggregate gross sales; however, if once said amounts have been paid in full, and said amounts exceed the 2% limit provided for above, the relevant party must pay the difference to the other party. Furthermre, another form of variable compensation in favor of the Company is established, regardless of what is provided above, connected to Canfot S.A net and earned profits.

Addtionally, on that date the parties entered into a "sales service agreement" whereby the Company will be in charge of promoting and selling the Forum Alcorta Project.

Note 37. Management, development and administration agreements (continued)

37.1. Canfot S.A. (continued):

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

On July 1, 2011, the parties agreed to suspend the terms and conditions of said agreement, resuming them on November 1, 2012, fixing the monthly amount of ARS 120,000 for any item being invoiced from November, 2012, to January 31, 2014, or until six months have elapsed since the closing of the post-construction stage of the project, whichever is later.

37.2. Marina Río Luján S.A. y 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 S.A. were entrusted with managing "Venice" urban project. Pursuant to the provisions of the agreement, the developers (the Company and Metro 21 S.A.) take charge of project management, which includes supervision of sales, management, administration, accounting activities, and in general, all aspects associated with management.

As consideration for their development services, Marina Río Luján S.A. will pay the developers a monthly amount of ARS 150.000 plus Added Value Tax, of which ARS 90,000 will be paid to the Company.

For the product sales services (except those referred to as Macrolotes), Marina Río Luján S.A. shall pay the developers 2% plus Added Value Tax 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 Added Value Tax. 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.

As to the date of these condensed consolidated financial statements, the Boards of Directors of both companies were analizyng the various different alternatives.

37.3. 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, Matería del Puerto S.A. entrusted the Company with the management, financial and commercial administration of "Forum Puerto Norte" project, in the urban area known as "Centro de Renovación Urbana Escalabrini 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 the amount of USD 200,000 until September 30, 2008, the monthly amount of USD 80,000 from October to December, 2008 inclusive, the monthly amount of USD 40,000 from January, 2009 to June, 2011, both inclusive, and shall pay the amount of USD 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 said agreement.

For those promotion and sales services, Maltería del Puerto S.A. pays the Company 2 % of the total value of gross sales of the units in the urban project “Forum Puerto Norte.”

Note 38. Interest in other companies – Acquisitions and transferences

38.1. Acquisition and transference of shares of Canfot S.A.

4. On June 14, 2011, the Company executed a stock purchase agreement with Ricardo Depresbiteris, whereby it acquired 24.96% of the share capital and the votes in Canfot S.A. for the amount of USD 7,500,000.
5. On September 13, 2011, the Company entered into an agreement for the purchase of shares with Kondor Fund, SPC - Kondor Properties Segregated Portfolio (“Kondor”), whereby it transferred 4,383,235 shares in Canfot S.A. (representing 9.09% of the share capital and votes) for the amount of USD 2,900,000.

As a result of the transactions mentioned above, the Company held 90.91% of the share capital and the votes in Canfot S.A. as to December 31, 2012.

38.2. Acquisition and transference of shares of Pico y Cabildo S.A.

a) On March 30, 2011, the Company entered into an agreement for the sale of the total capital stock of “Pico y Cabildo S.A.”, with the shareolders of such company (the “Sellers”). On April 14, 2011 (the “First Closing Date”) 95 % of the shares were transferred to the Company and on June 2, 2011 (the “Second Closing Date”), 5 % of the remaining shares were transferred to the Company.

The main assets held by Pico y Cabildo S.A. are two plots of land located in Nuñez neighborhood, in the City of Buenos Aires, as per the following desciption (hereinafter, collectively, the “Premises”):

6. I. Vedia Street Nros. 2332 / 2334 / 2340 / 2342 / 2348 / 2350 between Cabildo Avenue and Vuelta de Obligado Street;Real Estate Registration: Circunscription: 16; Section 29; Block 12; Parcel 4b; Registration number: FR 16-48561; and
7. II. Cabildo Avenue No. 4801 / 4827 / 4829 / 4833 / 4837 / 4847 / 4861 and Pico Street 2329 / 2335 / 2339 / 2347 / 2351 / 2357 / 2361 / 2375 / 2395 / 2397; Real Estate Registration: Circunscription: 16; Section 29; Block 12; Parcel 4c; Registration Number: FR 16-48562.
8. The total purchase price for the shares was agreed at USD 12,600,000, which were paid-up as follows:

(i) The amount of USD 2,199,348 was paid by the Company delivery to the Sellers of the preliminary sales agreements of the functional units in the “Astor Palermo” real estate undertaking, that the Company is developing in the premises owned on Beruti 3351, in the City of Buenos Aires.
(ii) USD 6,184,775 were paid in cash on June 30, 2011.
(iii) USD 4,215,877 were paid in cash on January 30, 2012.

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. Such pledge was released after payment of the price.

b) On September 13, 2011, the Company transferred to Canfot S.A. shares representing 3% of the share capital and votes in Pico y Cabildo S.A. for the amount of ARS1,587,601.

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

On February 18, 2013 TGLT acquired from Canfot SA 2,640 ordinary nominative non-endorsable shares with a par value of ARS 100 and one voting right each, representing 3% of the total capital share and votes of Pico y Cabildo SA, with the main aim of merging TGLT and Pico y Cabildo SA in the first semester 2013.

TGLT

Note 38. Interest in other companies – Acquisitions and transferences (continued)

38.2. Acquisition and transference of shares of Pico y Cabildo S.A. (continued)

The Price was ARS 1,587,601 payable in a first installment of ARS 100,000 on March 5, 2013 and ARS 1,487,600 on February 18, 2014. Said outstanding sum will accrue interests at a nominal annual Badlar rate, as from the date of the agreement execution, that is to say, February 18, 2013, to the date of effective payment.

38.3. Acquisitions of shares in TGLT Uruguay S.A. and FDB S.A. (Uruguay)

On October 5, 2011, the Company entered into a stock purchase agreement, whereby it acquired 100% of the share capital of TGLT Uruguay S.A., for the amount of USD 5,100.

TGLT Uruguay S.A. is a company incorporated under the laws of the Oriental Republic of Uruguay, and was acquired by the company for the purposes of extending business in said country.

Additionally, on November 22, 2011, TGLT Uruguay S.A. acquired 100% of the share capital of FDB S.A. for the amount of USD 5,100.

FDB S.A. is a company incorporated under the laws of the Oriental Republic of Uruguay, and was acquired for the purposes of developing the urban project “Forum Puerto del Buceo” in said country.

On June 29, 2012, the Company decided to capitalize the credit it had with TGLT Uruguay S.A. for the amount of USD 2,382,336, equivalent to ARS 10,689,541.

38.4. Agreements with individual shareholders related to Maltería del Puerto S.A.

On December 31, 2012, TGLT and the shareholders of Maltería del Puerto S.A, that is, Eduardo Rubén Glusman, Juan Carlos Rossetti, Osvaldo Roberto Paladini, Verónica Lis Gonzalo and Juan Carlos Paladini entered into agreements by which they agreed to the following:

1. The capitalization of irrevocable contributions from TGLT by ARS 7,750,000 and of loans of ARS 35,803,600 and ARS 1,250,000, TGLT and individual shareholders respectively, as a result of which TGLT increased its share in Maltería del Puerto S.A. a 90%.
2. The relief of accrued interests for loans granted by TGLT for ARS 2,949,998 and by individual shareholders for USD 374,992.
3. The application of debts of Maltería del Puerto S.A before individual shareholders for outstanding sums of loans and interests related to those loans by ARS 11,015,197 to the partial payment of functional units acquired by those individual shareholders.
4. TGLT purchase of 5,307,200 shares of Maltería del Puerto S.A. owned by Eduardo Rubén Glusman, Osvaldo Roberto Paladini, Verónica Lis Gonzalo and Juan Carlos Paladini by ARS 5,307.20, a transaction subject to the condition that Maltería del Puerto S.A complete the total of buildings from Forum Puerto Norte SA project. Once said condition is fulfilled, TGLT will pay the aforementioned sum and will receive the shares.

Note 39. Acquisition of real estate properties

39.1. Urban real estate proyect Astor Palermo

On October 13, 2010, the Company executed a preliminary sales agreement with Alto Palermo S.A. (herinafter "APSA") for the purchase of the premises located in the City of Buenos Aires, facing the street Beruti No. 3351/59, between Bulnes and Av. Coronel Díaz, with Real Estate Registration: Circumscription 19, Section 15, Parcel 11-S. The Company is planning the construction of an apartment building with residential and commercial parking lots in said premises.

In consideration for the acquisition of the premises, the Company agreed to transfer to APSA: (i) a number to be determined of functional housing units (apartments) jointly representing 17.33% of the Company's own sellable square metre of residential space (apartments) in the building to be constructed; (ii) a number to be determined of supplementary/functional units (parking lots), representing 15.82% of the Company own square metres of parking lots in the same building; (iii) the total amount of functional units to be used as commercial parking spaces; and (iv) the amount of USD 10,700,000, which were paid in November 5, 2010.

On December 16, 2010, the deed of conveyance of said premises was executed by Alto Palermo S.A. as the seller and the Company, as the purchaser.

As a result of the acquisition of the premises, and to secure performance of all the obligations TGLT S.A. assumed vis-à-vis APSA, TGLT S.A. furnished a first-priority mortgage over said property in favor of APSA. The mortgaged amount is USD 8,143,231 (See Note 34.4.)

This property is also subject to three gratuitous, perpetual, continuous and non-apparent easements, as a servient estate in favour 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 built on the servient estate.

39.2. Premises of the urban real estate project temporarily called "FACA"

On March 15, 2011, the Company executed a memorandum of understanding with Servicios Portuarios S.A. (herinafter "SP") to acquire for the Company (or a controlled subsidiary thereof) a plot of land located in the city of Rosario, Province of Santa Fe, which adjoins the property on which "Forum Puerto Norte" project is being developed. Such plot of land (hereinafter, the "Premises") belongs to the Subsidiary of the Company, Maltería del Puerto S.A.

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. The parties agreed to extend the term of the memorandum of understanding twice, and established the third and last extension until the June 30, 2012.

As to the date of these condensed consolidated financial statements, the Company and SP were negotiating up to what date to extend anew the term established in the memorandum of understanding to sign the contracts and documents defined in said transaction.

The total surface area of the Premises is approximately 84,000 m², resulting from a Total Occupation Factor (TOF) of 117,000 m2 in a sellable and/or marketable area estimated in 121,000 m² m2 plus 1,380 garages. TGLT S.A. (or a controlled subsidiary thereof) will acquire the Premises, where the Company will erect several premium-quality buildings that will include, among others, apartments, commercial establishments, cellars, parking lots, piers, marinas, etc.

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

The purchase price will be USD 28,000,000. Also, the Company will offset the amounts paid by SP for the works on Luis Candido Carballo Avenue, totalling the amount of ARS 8,408,701 plus the Added Value Tax.

Note 39. Acquisition of real estate properties (continued)

39.2. Premises of the urban real estate project temporarily called "FACA" (continued)

As to December 31, 2012, the Company includes the advance payment made toward the purchase of the property mentioned in the preceding paragraphs in the entry "Other receivables", under current assets.

39.3. Premises of "Astor Caballito" urban real estate project

On June 29, 2011, the Company entered into an exchange acquisition operation for a plot of land located in this city, identified with the following real estate registration: Circunscription: 7; Section 45; Item: 179,579-02 (the "Premises"), owned by IRSA Inversiones y Representaciones S.A. (hereinafter "IRSA".) The Company Intends to develop a housing project on the Property.

In consideration for the acquisition of the premises, the Company agreed to transfer to IRSA:

(i) a number to be determined of functional housing units (apartments), jointly representing 23.10% of the property sellable square metres destined for housing (apartments) in the building to be constructed;

(ii) a number to be determined of parking lots, jointly representing 21.10% of the proprietary parking lots square metres located in the two subfloor levels of the real estate development to be built by TGLT in the Premises;

(iii) If the Company builds supplementary cellar units, a number to be determined of supplementary cellar units equivalent to 21.10% of the proprietary cellar square meters in the buildings that the Company will erect on the Premises; and

(iv) the amount of USD 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.

As security of its obligations under the exchange, the Company furnished a firts-priority mortgage in favor of IRSA over the Premises, for upto the principal amount of USD 12,750,000 plus interests, costs and expenses as may be deemed applicable (see Note 34.2).

39.4. Premises of "Forum Puerto del Buceo" urban real estate project

On December 28, 2011, the company FDB S.A. executed a Reserve for the acquisition of a property located on the corner of Rambla Armenia and Rambla Costanera de Pocitos in Puerto del Buceo, City of Montevideo, Oriental Republic of Uruguay, measuring approximately 10,765 square metres.

a) Following are the main conditions agreed:

b) The offeror, Héctor Collela Moix (owner of 90% of the premises) agreed to reserve for the sale to the acceptor, FDB S.A., who accepted and in turn agreed to acquire the aforementioned premises.

c) The price of this transaction was agreed in the amount of USD 24,000,000, to be paid as follows:

d) The amount of USD 600,000 when signing the purchase instrument.

e) The amount of USD 5,400,000 as to March 31, 2012.

f) The amount of USD 6,000,000 as to March 31, 2013.

g) The amount of USD 12,000,000 by selling (i) thirty-four (34) future condominium units, on aggregate with a surface of five thousands eight hundred and forty-five square metres (5,845m^2) and (ii) fifty-four (54) parking lots in the same building to be erected on the premises.

h) To secure payment of the price balance, the acceptor would furnish a first-priority mortgage on the property in favour of the offeror.

i) The deed of conveyance would be executed within 30 days as from execution of this Reserve.

(figures expressed in Argentine pesos)

Note 39. Acquisition of real estate properties (continued)

39.4. Premises of "Forum Puerto del Buceo" urban real estate project (continued)

On January 5, 2012, between FDB S.A. (the buyer) and Héctor Fernando Colella Moix, Marta Eugenia Ortiz Fissore and Tomás Romay Buero (the sellers, owners of 100% of the premises) executed the deed of conveyance of said premises, which included the main terms and conditions agreed in the Reserve 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 34.6).

As to the date of these condensed consolidated financial statmenes, USD 600,000 had already been paid, as established in the executed deed of conveyance, as well as the USD 5,400,000 payment due on March 31, 2012.

Note 40. Asset Impairment

For the purposes of probing the impairment of the capital gain acquired as a consequence of subsequent business combinations, such capital gains were allocated to each project, which acquisition originated said capital gain, as shown in Note 13. Each project is considered independently as a cash-generating unit (CGU).

Each CGU among which the capital gain is distributed: a) represents the lowest level, within the entity, to which the capital gain is controlled for internal management; and b) is not greater than the operation segments, before the addition, identified on Note 42.

The CGU identified by the Company are the following:

CGU	Segment of operation with which it is identified
1	Urban Project "Forum Puerto Norte"
2	Urban Project "Forum Alcorta"
3	Urban Project "Astor Palermo"
4	Urban Project "Astor Caballito"
5	Urban Project "Astor Nuñez"
6	Urban Project "Venice"
7	Urban Project "Forum Puerto del Buceo"
8	Urban Project "FACA"

(figures expressed in Argentine pesos)

Note 40. Asset Impairment (continued)

The CGU to which the capital gain has been distributed undergo an annual verification of asset impairment, and also when there is evidence of asset impairment, comparing the capital registered in the unit books, including the capital gain, with its recoverable capital.

Due to the fact that there is no active market for CGUs, the company verifies if these CGUs are impaired, calculating their in-use value. For calculating the in-use value of each CGU, the Company uses the internal projections aiming at monitoring the course of each business, and discounting using the discount rate before taxes, which shows the current market evaluations, corresponding to the temporary value of money and at specific risks of the assets for which such estimations of future cash flow had not been adjusted.

The projections performed by the Company, on which the calculations of the in-use value of CGU are based, include the net cash flow generated by income and expenses connected to the project, which is projected to be received or paid until the end of said project.

For the preparation of said calculations the Company considers, among others, the flow of collections associated to the units whose sale has been secured or is projected to be secured in the future, the costs of construction calculated for the end of the works, and other administrative and commercialization expenses, on the basis of calculations made by different operative managements of the Company, and macroeconomic projections provided by external counselors.

The calculations of future cash flow do not include income or outcome of cash due to financing activities, or collections or payments due to the income tax.

Such calculations are revised and adjusted, to meet the requirements set forth in IAS 36.

The cash flow projected was discounted at a rate of 27%, which represents approximately the financing marginal cost of the Company.

From the comparison between the book value of CGU identified with their corresponding recoverable amounts, it arises that the capital gain associated to Forum Puerto Norte is impaired in ARS 31,396,853 arises. Such amount is shown in the Statement of income, under “Other operating expenses”.

Note 41. Earnings per share

Income per basic share:

The result and weighted average numbers of ordinary shares used to calculate earnings per basic shares are as follows::

	Dec 31, 2012	Dec 31, 2011
Results used to calculate earnings per basic share from ongoing operations	(142.987.337)	(45.241.815)
Weighted average number of shares of common stock for purposes of earnings per basic share (all measurements)	70.349.485	70.349.485
Earnings per share	**(2,03)**	**(0,64)**

The weighted average number of outstanding shares was 70,349,485, as in the case of the weighted diluted average number of shares, since there were no debt securities convertible into shares as to December 31, 2012 and 2011.

(figures expressed in Argentine pesos)

Note 42. Segment information

42.1. Introduction

The Company has adopted IFRS 8—Operating Segments, which provides that operative segments are identified on the bases of internal reports regarding the company components regularly reviewed by the Board of Directors, the main operative decision-maker, to allocate resources and assess performance.

To conduct its business, both financially and operationally, the Company has established that each of its real estate undertakings represents a business segment or Cash Generating Unit (CGU), namely: Forum Puerto Norte, Forum Alcorta, Astor Palermo, Astor Caballito, Astor Núñez, Venice, Forum Puerto del Buceo and Proyecto FACA.

In this sense, Management makes use of the indicators summarized in the following sections:

42.2. Secured sales

	Dec 31, 2012	Dec 31, 2011
Forum Puerto Norte	398.599.451	307.718.825
Forum Alcorta	459.146.828	326.230.819
Astor Palermo	201.756.804	91.573.747
Astor Caballito	74.662.892	10.942.558
Astor Núñez	40.285.027	20.644.366
Venice (50%)	24.985.486	8.372.477
Forum Puerto del Buceo	118.376.659	26.458.154
FACA Project	-	-
Total	**1.317.813.147**	**791.940.946**

42.3. Gross result measured as percentage of completion

December 31, 2012	Forum Puerto Norte	Forum Alcorta	Astor Caballito	Astor Palermo	Total
Sales revenues measured as percentage of completion	91.125.408	121.917.915	13.415.176	82.106.241	**308.564.740**
Net cost of sales measured as percentage of completion	(151.924.632)	(94.315.241)	(12.165.381)	(68.593.737)	**(326.998.991)**
Gross result measured as percentage of completion	**(60.799.224)**	**27.602.674**	**1.249.795**	**13.512.504**	**(18.434.251)**

December 31, 2011	Forum Puerto Norte	Forum Alcorta	Astor Caballito	Astor Palermo	Total
Sales revenues measured as percentage of completion	185.700.000	122.900.000	2.900.000	-	**311.500.000**
Net cost of sales measured as percentage of completion	(156.500.000)	(88.700.000)	(2.400.000)	-	**(247.600.000)**
Gross result measured as percentage of completion	**29.200.000**	**34.200.000**	**500.000**	-	**63.900.000**

(figures expressed in Argentine pesos)

TGLT

Note 42. Segment information (continued)

42.5. Inventories

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Forum Puerto Norte			
Inventories under construction	*299.270.150*	*244.597.724*	*212.248.011*
impairment of inventories under construction	*(40.664.475)*	-	-
Completed units	*108.573.982*	*117.300.046*	-
Impairment of completed units	*(15.546.037)*	-	-
Forum Alcorta	317.209.628	194.958.048	150.405.918
Forum Puerto del Buceo	187.505.287	843.276	-
Astor Palermo	114.669.717	79.533.354	76.886.003
Astor Caballito	77.969.186	58.884.406	-
Astor Núñez	61.167.576	57.376.513	-
Venice	74.346.180	71.164.113	69.494.199
FACA Project	23.496.724	-	-
Total	**1.207.997.918**	**824.657.480**	**509.034.131**

42.6. Advanced Payments of clients, third and related parties

Cumulative	**Dec 31, 2012**	**Dec 31, 2011**	**Dec 31, 2010**
Forum Puerto Norte	286.986.934	231.156.206	110.962.942
Forum Alcorta	326.090.527	163.355.005	83.982.269
Forum Puerto del Buceo	116.444.510	150.640	-
Astor Palermo	131.093.205	47.400.991	30.025.587
Astor Caballito	54.855.915	10.942.578	-
Astor Núñez	31.644.419	8.331.748	-
Venice	13.055.160	2.080.824	-
FACA Project	-	-	-
Total	**960.170.670**	**463.417.992**	**224.970.798**

(figures expressed in Argentine pesos)

TGLT

Note 43. Assets and liabilities in foreign currency

	Dec 31, 2012				Dec 31, 2011	Dec 31, 2010
	Class and amount of foreign currency		Exchange rate	Total Amount accounted for In pesos	Total Amount accounted for In pesos	Total Amount accounted for In pesos
ASSETS						
Current assets						
Cash and cash equivalents :						
Cash	USD	4.249	4,878	20.727	154.108	92.676
	$U	-		-	-	-
	Reales	-		-	222	425
				20.727	154.330	93.101
Banks	USD	2.865.153	4,878	13.976.217	5.887.443	167.803.284
	$U	439.175	0,251	110.233	-	-
				14.086.450	5.887.443	167.803.284
Time deposits	USD	191.452	4,918	941.561	813.780	-
Mutual funds	USD	4.731.520	4,878	23.080.354	56.704.973	-
Commercial papers	USD	1.455.750	4,878	7.101.148	7.992.442	-
Foreign Currency to be converted	USD	-	-	-	-	1.751.520
Placements abroad	IU	49.420.529	0,635	31.382.036	-	-
Trade receivables:						
Private debtors	USD	551.015	4,878	2.687.849	8.472.404	-
Other receivables:						
Insurance to be accrued	USD	204.836	4,878	999.190	665.462	495.928
Advance payments to general suppliers	USD	24.277	4,878	118.423	-	58.237
Advance payments to work suppliers	USD	1.117.522	4,878	5.451.274	351.835	1.970.856
Advance payments to suppliers on inventory purchases	USD	5.129.706	4,878	25.022.706	22.078.255	-
Refundable expenses	USD	-		-	2.558	3.761
Sundry	USD	8.396	4,878	40.958	67.049	-
Credits with related parties:						
Other receivables	USD	181.261	4,878	884.193	5.269.223	-
Total Current assets				111.816.869	108.459.754	172.176.687
Non current assets						
Other receivables:						
Added value tax	$U	9.856.773	0,251	2.474.050	146.472	-
Security deposits	USD	74.050	4,878	361.216	191.880	110.209
Security deposits	$U	19.108	0,251	4.796	-	-
				366.012	191.880	110.209
Insurance to be accrued	USD	193.220	4,878	942.528	219.031	336.096

(figures expressed in Argentine pesos)

Total non-current assets	3.782.590	557.383	446.305
Total Assets	**115.599.459**	**109.017.137**	**172.622.992**

USD: United States dollars
UYU Uruguayan pesos.
IU: Index Uruguayan pesos

Note 43. Assets and liabilities in foreign currency (continued)

	Dec 31, 2012				Dec 31, 2011	Dec 31, 2010
	Class and amount of foreign currency		Exchange rate	Total Amount accounted for In pesos	Total Amount accounted for In pesos	Total Amount accounted for In pesos
LIABILITIES						
Current Liabilities						
Trade debts:						
Suppliers	USD	477.780	4,918	2.349.724	110.377	459.481
Suppliers	$U	18.348.138	0,253	4.642.079	-	-
Accrued expenses	USD	61.498	4,918	302.447	747.547	61.729
Provisions for works	USD	-		-	928.050	-
Insurance payable	USD	267.581	4,918	1.315.961	397.659	487.636
Contingency fund	USD	4.153	4,918	20.426	59.981	55.410
Real estate purchase creditors	U$D	12.166.020	4,918	59.832.488	-	-
Loans:						
Mortgage-backed bank loans	USD	5.189.936	4,918	25.524.106	69.034	-
Bank loans	USD	6.177.834	4,918	30.382.588	-	-
Other loans	USD	-		-	8.764.449	-
Advance on current account	USD	133.804	4,918	658.049	-	-
Advance on current account	$U	944.065	0,253	237.367	-	-
Corporate notes	USD	2.249.378	4,918	11.062.442	-	-
Employees' benefits:						
Social Security payables	$U	452.960	0,253	114.599	-	-
Other tax burdens:						
Provision for net worth tax	$U	3.170.047	0,253	802.022	14.705	-
Other taxes	$U	11.763	0,253	2.976	-	-
Outstanding sums with related parties						
Trade debts	USD	5.431.428	4,918	26.711.763	42.224.900	-
Loans	USD	179.904	4,918	884.767	14.204.607	398.472
Advances of clients	USD	24.259.763	4,918	119.309.515	51.102.124	35.309.073
Advanced Payments of clients :						
Advanced collections	USD	142.030.860	4,918	698.507.770	410.538.145	186.243.070
Other accounts payable:						
Inventory creditors	USD	-	-	-	6.257.790	-
Long-term investment creditors	USD	-	-	-	18.145.137	-
Sundry creditors	USD	191.452	4,918	941.561	813.780	-
Sundry	$U	49.668	0,253	12.566	-	-
Total Current Liabilities				**983.615.216**	**554.378.285**	**223.014.871**
Non-current liabilities						

Trade debts:						
Insurance payable	USD	103.038	4,918	506.742	-	-
Loans:						
Corporate Notes	USD	6.297.625	4,918	30.971.721	-	-
Mortgage-backed bank loans	USD	-	-	-	17.987.044	-
Total non-current liabilities				**31.478.463**	**17.987.044**	**-**
Total liabilities				**1.015.093.679**	**572.365.329**	**223.014.871**

USD: United States dollars

UYU Uruguayan pesos.

Note 44. Program of Corporate notes

At the Shareholders' Meeting held on December 20, 2011, approval was given for the creation of a global program for the issuance of short-, medium-, or long term simple corporate notes not convertible into stock, subordinated or not, secured or unsecured, pursuant to Law No. 23576, as amended (the "CNs") for the maximum amount of fifty million United States Dollars (USD 50,000,000) or its equivalent in any other currency, under which different classes or series denominated in United States Dollars or other currencies may be issued and the successive classes and/or series that are amortized may be reissued (the "Program"). The term of the Program will be of five (5) years, beginning with the authorization granted by CNV (Argentine Securities and Exchange Commission); within this term all the issuances and re-issuances under this Program must be carried out.

Likewise, the funds obtained by means of the placement of the CNs issued under the Program will be allotted to any item on the list on section 36 subsection (2) of Law No. 23576, as amended, e.g. Investment in physical assets located in the country; and/or contribution of working capital in the country; and/or refinancing of liabilities; and/or capital contributions to subsidiaries or affiliates of the issuer Company whose proceeds are used solely for the purposes indicated above, and the Board of Directors (or, if applicable, the directors or officers to which their power may be sub-delegated) may determine to what use the proceeds from the issuance or re-issuance of each series or class of CNs to be issued under the program will be put.

On July 12, 2012, the Board of Directors of the Argentine Securities and Exchange Commission (Comisión Nacional de Valores) authorised the Program by means of resolution No. 16853.

On August 21, 2012, Corporate Notes Classes I and II on the scope of the Program were issued.

Class I Corporate Notes were issued for the amount of ARS 19,533,207, at a variable rate Private Badlar, plus a margin of 5.25% due 21 months after the issuance, that is, on May 21, 2014. The capital will be amortised in Argentine Pesos by means of three equal consecutive payments on the months 15, 18 and 21 as from issuance. Interests shall be payable each three-month period as from November 21, 2012.

Class II Corporate Notes were issued for the amount of U$S 8,554,320, at a fixed rate of 9.25% due 24 months after the issuance, that is, on August 21, 2014. The capital will be amortised in Argentine Pesos by means of four equal consecutive payments on the months 15, 18, 21 and 24 as from the issuance. Interests shall be payable each three-month period as from November 21, 2012.

TGLT allocates its funds to make investments in property, plant and equipment within Argentina, to integrate working capital in the country, to refund liabilities, to make capital contributions to subsidiaries or affiliates to the Company, and/or any other allotment provided for on applicable rules.

Both issuances have been graded as "A" according to the national risk scale on the long term of Fitch Argentina Calificadora de Riesgo S.A. and are traded at Bolsa de Comercio de Buenos Aires (Buenos Aires Stock Exchange) and Mercado Abierto Electrónico (Open Electronic Market).

As to December 31, 2012 the debt due to Corporate Notes in local currency and in foreign currency is ARS 19,730,557 and ARS 42,034,163, respectively, and is included in the entry "Loans" under the current liabilities for the amount of ARS 6,978,126 and ARS 11,062,442, respectively, and under the non-current liabilities the amount of ARS 12,752,431 and ARS 30,971,721, respectively.

Note 45. Risks – financial risk management

The company is exposed to market, liquidity and credit risks that are inherent to the real estate business as well as to the financial instrument used to finance real estate projects and for liquidity investments. The Company does not presently use derivatives for risk coverage.

The Company's Management regularly analyses risks to report to the Board of Directors about them, and devises risk management strategies and policies. Likewise, it controls that the practices adopted throughout the organization are consistent with established policies. It also monitors current policies and adapts or modifies them based on market changes and emerging organizational needs.

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Note 45. Risks – financial risk management (continued)

Market Risks

The activities of the Company are exposed to risks inherent to the real estate development business in Argentina. These include the following:

Risk of increasing construction costs

Most of our costs are pegged to the evolution of construction and material prices and labour rates. The Cámara Argentina de la Construcción (Argentine Construction Chamber) publishes the "CAC" index to track the evolution of these costs. Many construction contracts for our projects are pegged to this index or to similar ones. In the first nine months of 2012, the CAC index rose 22.2%, compared to an increase of 22.1% in the same period last year. Increased construction costs reduce our operational margins if we are unable to increase revenues commensurately. The strategies applied by the Company to avoid this include, among others, the following:

- We control the pace of sales throughout the project, allowing the Company to take advantage of price increases accumulated by real estate as a consequence of cost-side pressures, as well as to prevent cash balances from accumulating and probably losing their purchasing power.
- Our sales agreement have one or more of the following characteristics:
  - ✓ Payments adjusted according to the evolution of the CAC index: In most of the sales agreements, we include a clause whereby customer payments are adjusted on the bases of the variations undergone by the CAC index.
  - ✓ Prices denominated in United State Dollars: In the past, most of sales contracts were denominated in United States dollars, under the expectation that inflation was accompanied by currency depreciation. Thus, the value of payments in pesos would go up as peso depreciates, and would pay, at least in part, for our rising costs. Due to the fact that recent restrictions to purchase US dollars for saving money or purchasing real estate were imposed as from November 2011 and hardened during 2012, we have exercised the options provided for in preliminary sales agreements with our clients, by requiring the payments of obligations denominated in dollars of our clients to be made in dollars deposited in foreign accounts, or in pesos at an exchange rate higher than the official exchange rate.
  - ✓ Prices to be determined on the bases of the cost of construction: In some cases, sales agreements include clauses that adjust the value of the products sold and hence advances made by our customers, based on how costs progress in our real estate projects. Thus, all increases in construction costs are actually charged to our customers. We generally cap these adjustments to limit the total increase a customer could face in relation to the original price, but it is far above our cost increase expectations.
- We pay some of our suppliers by exchanging the product to be completed; in fact, we tie the cost of materials or services purchased directly to the cost of production of the product offered in exchange.
- In Uruguay, the transactions on purchase of real estate are denominated in American dollars following the local uses and customs. The construction costs are denominated mostly in Uruguayan pesos and undergo inflation. As a consequence, the Company covers itself financially to reduce the risks of differences between the incomes in dollars, and expenses and costs in Uruguayan pesos. In 2012, the coverage consisted on the one hand, in placements with the Banco Central de la República Oriental del Uruguay for a sum equivalent to ARS 31,382,036 denominated in units indexed to the evolution of the inflation index of retailers' prices; on the other, in the reception of loans denominated in dollars.

Note 45. Risks – financial risk management (continued)

Risks of demand of our products
Financing for our real estate projects depends mostly on the evolution of presales. The demand for our products depends, among other factors, on the prospects for the population to gain access to housing, the supply of credit, the availability of excess savings destined to the purchase of housing as an investment alternative, the prospects for increases in housing prices in relation to other investment options, buyers' preferences for the products offered by the Company, etc. The evolution of economic indicators, the economic perspectives of the population, the competition in the sector, the changes in our buyers' preference, among others, affect the demand-side factors for our products, and downturn in the former could slow down the pace of sales in our projects and therefore, their financing. For this reason, the Company Management monitors the pace of sales and takes corrective actions to adjust our marketing strategy, forms of payment, product design, etc., in order to keep up a steady pace of sales that will allow our projects to be funded. Also, as discussed in the "Liquidity risk" section below, it resorts to external sources of finance to overcome a potential slowdown in the pace of sales without delaying the construction timeframes for the projects.

Risk of suppliers' contract default
The Company largely outsources the construction of its undertakings through work contract with expert suppliers. Thus, meeting the project deadlines and budgets depends, in large, on the effective performance of contracts. In this sense, the Company thoroughly evaluates the contractors (before and during performance of the contract) to reduce the risk of contractual default, and demands that relevant insurance be taken. Besides, the Company requires that its suppliers take insurance policies directly or through the Company, against the risk that may arise from work contract defaults.

The Company is also exposed to the risks inherent to the construction business in relation to labour matters, safety, hygiene and environment, which the Company controls by implementing the policies imposed to our suppliers to minimise those risks.

Credit risks

Credit risk related to the sale of our products
The Company finances its projects largely through unit presales. The sales agreements with our customers, generally, contemplate a payment plan that begins with the signature of the contract and ends with the conveyance of title to the completed product, with installment payments during the construction of the project. Any irregularity or delay in the payment of these sums committed by the customers constitutes a risk for project funding. Sales agreements contemplate heavy penalties for defaults in payment, generating significant costs for our customers; we hence record a very low level of delays and uncollectable debts. Nevertheless, the Company conducts permanent monitoring of collections and actively works on any delays in payment.

Credit risk related to financial instruments and cash deposits

Credit risk related to the investment of cash and cash equivalent balances is managed directly by the Treasury. The Company is very conservative in its financial investment policies, favouring deposits in top-tier and sterling-rated financial entities, as well as in mutual funds that maintain instruments with very little volatility and high liquidity in their portfolios.

Financial assets classified as Cash and cash equivalents valued at their reasonable value are rated as one.

Note 45. Risks – financial risk management (continued)

Liquidity risks

All our real estate projects aim to be "self-funding", i.e., presale proceeds should accompany disbursements related to construction costs. Nevertheless, in order to preserve financing continuity for its operations, the Company uses several external financing vehicles such as bank account overdrafts, bank loans and corporate notes, for which it seeks to maintain excellent rapport with financial institutions and capital markets as a whole. As to September 30, 2012, the Company maintains a reduced level of loans equivalent to ARS 133 millions, 36% of its shareholders' equity or 9 % of its assets, which is below its lendable capacity. In this sense, the Company is presently negotiating new loans for the construction of some of its projects, new bank facilities and the issuance of corporate notes in the capital markets. Fitch Argentina S.A. recently rated the Company long-term credit capacity with the Note BB+ (degree of investment) .

Note 46. Allocation of retained earnings originated from the application of IFRS for the first time

Pursuant to the Business Organizations Act, the Bylaws and General Resolution No. 368/01 of the Argentine Securities and Exchange Commission (CNV), 5% of the earnings for the fiscal year must be transferred to the statutory reserve, after the accumulated losses, if any, have been absorbed, until the Reserve amounts to 20% of the adjusted capital.

According to General Resolution No. 609 of CNV, the Company must allocate the amount of ARS 46,257,485 to a special reserve. Such amount results from the difference between the initial balance of retained earnings, showed in the financial statements at the first closing of year in which IFRS were applied, and the final balance of retained earnings at the closing of the last year, which were governed by former accounting standards. This reserve cannot be reversed to make distributions in cash or in kind among shareholders or owners of the organization, and may only be reversed for capitalization or to absorb possible negative balances in the account "Retained Earnings".

The decision arising from the application of the paragraph above shall be taken at the Shareholders Meeting in which the financial statements as to December 31, 2012 is considered.

Note 47. Capital market

On December 27, 2012 Law 26831 of Capital Market was passed. It contemplates the medication of the regime of public offering (Law 17811, as amended by Decree 677/2001) in effect as from January 28, 2013.

Among other issues, the new law enlarges the regulatory capacities of the National State as to the public offer through the National Securities Market Commission, as well as to the market organization and the requirements of its agents, while it removes the obligation of being a shareholder to be able to act as an intermediary agent to operate in a particular market, delegating in said institution the authorization, subscription and regulation of the different categories of agents. As the regulation of the law must be within 180 days after it has been passed, and with the aim of not affecting the normal development of the capital market, the CNV (Argentine Securities and Exchange Commission) has decided, by means of General Resolution 615 that the application of present enforceable regulations must continue until the law is duly regulated.

The Company Board of Directors and Management will analyze the impact that the regulation of the abovementioned law and of the National Securities Market Commission additional related regulations may have on its operations.

INDIVIDUAL FINANCIAL STATEMENTS

TGLT S.A.

AS TO DECEMBER 31, 2012

(Presented comparatively 2011 and 2010)

TGLT

TGLT S.A.

INDIVIDUAL BALANCE SHEET

AS TO DECEMBER 31, 2012, 2011 AND 2010

(figures expressed in Argentine pesos)

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
ASSETS				
Current assets				
Cash and cash equivalents	6	40.442.108	64.981.797	164.312.906
Trade receivables	7	362.353	316.743	-
Other receivables	8	40.915.946	38.356.202	3.262.466
Credits with related parties	33	34.266.389	40.794.074	2.545.955
Inventories	9	216.884.668	138.417.759	76.886.003
Total Current assets		332.871.464	282.866.575	247.007.330
Non-current assets				
Other receivables	8	303.625	327.695	110.209
Credits with related parties	33	4.284.030	1.591.474	-
Property, plant and equipment	10	4.137.952	1.326.166	305.730
Intangible assets	11	767.638	731.505	212.013
Tax assets	12	27.601.351	12.238.189	6.828.732
Long-term investments	13	260.948.353	303.694.353	281.771.334
Total non-current assets		298.042.949	319.909.382	289.228.018
Total assets		**630.914.413**	**602.775.957**	**536.235.348**
LIABILITIES				
Current Liabilities				
Trade debts	16	8.622.165	4.690.123	1.846.080
Loand	17	26.724.429	11.897.338	-
Employees' benefits	18	2.455.108	2.106.312	780.329
Current tax liabilities	19	1.270.429	770.652	2.294.179
Other tax burdens	20	1.614.195	612.872	351.797
Outstanding sums with related parties	33	155.283.042	102.430.058	32.471.011
Advanced Payments of clients	21	71.474.058	15.376.667	-
Other accounts payable	22	-	18.145.137	-
Total Current Liabilities		267.443.426	156.029.159	37.743.396
Non-current liabilities				
Loans	17	43.724.152	-	-
Deferred tax liabilities	23	1.426.702	1.323.141	-
Total non-current liabilities		45.150.854	1.323.141	-
Total liabilities		**312.594.280**	**157.352.300**	**37.743.396**
SHAREHOLDERS'EQUITY		**318.320.133**	**445.423.657**	**498.491.952**
Total liabilities and shareholders' equity		**630.914.413**	**602.775.957**	**536.235.348**

Notes 1 to 45 enclosed hereto are part of these financial statements.

Signed for identification purposes
with our limited review report dated on March 8, 2012
Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 1 Page 68

By Supervisory Committee

Ignacio Fabián Gajst
Statutory Auditor

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 245 Page 74

Federico Nicolás Weil
President

TGLT S.A.

STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME FOR PERIOD

FOR THE PERIODS ENDED ON DECEMBER 31, 2012 Y 2011

(figures expressed in Argentine pesos)

	Notes	Dec 31, 2012	Dec 31, 2011
Income for services rendered		9.438.222	9.170.564
Costs of activities rendered	26	(9.292.134)	(10.717.673)
Gross income		**146.088**	**(1.547.109)**
Sales expenses	27	(11.769.892)	(4.440.934)
Administrative expenses	28	(17.147.548)	(9.406.508)
Other operating expenses		(32.095.394)	-
Operating income		**(60.866.746)**	**(15.394.551)**
Long-term investment results		(85.586.286)	(38.576.969)
Other expenses		(528.498)	(62.862)
Financial results	29		
Exchange difference		(11.312.399)	2.824.422
Financial income		11.634.905	4.847.933
Financial costs		(3.506.576)	(649.051)
Other financial costs		(1.836.646)	(534.890)
Other income and expenses	30	(2.684.478)	1.225.777
Income for the period before Income Tax		**(154.686.725)**	**(46.320.191)**
Income Tax	31	12.205.295	1.078.376
Income for the period		**(142.481.430)**	**(45.241.815)**
Other comprehensive income that will be reclassified in gaining or loss			
Difference for the conversion of a net investment abroad		(505.907)	-
Total of other comprehensive income		**(505.907)**	**-**
Total comprehensive income for the period		**(142.987.337)**	**(45.241.815)**
Earnings per share attributable to controlling owners			
Base		**(2,03)**	**(0,64)**
Diluted		**(2,03)**	**(0,64)**

Notes 1 to 45 enclosed hereto are part of these financial statements.

Signed for identification purposes
with our limited review report dated on March 8, 2012
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Certified Public Accountants
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(C.P.C.E.C.A.B.A.) Book 1 Page 68

By Supervisory Committee

Ignacio Fabián Gajst
Statutory Auditor

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Certified Public Accountant (U.B.A.)
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 245 Page 74

Federico Nicolás Weil
President

TGLT S.A.

INDIVIDUAL STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED ON DECEMBER 31, 2012

(figures expressed in Argentine pesos)

	Share capital					Reserves				
Concept	Share capital	Premium of issuance	Additional paid-in capital	Total	Transactions between shareholders	Diff for conversion of net investment abroad	Statutory reserve	Special Reserve (See Note 44)	Unappropriated Retained earnings	Totals
Balances as to January 1, 2012	70.349.485	378.208.774	(1) 5.923.463	454.481.722	(2) (13.749.943)	-	4.000	46.257.485	(41.569.607)	445.423.657
Adquisition Maltería del Puerto S.A.	-	-	(3) 15.883.813	15.883.813	-	-	-	-	-	15.883.813
Income for the period	-	-	-	-	-	-	-	-	(142.481.430)	(142.481.430)
Income for the period net before Income Tax	-	-	-	-	-	(505.907)	-	-	-	(505.907)
Comprehensive income for the period	-	-	-	-	-	(505.907)	-	-	(142.481.430)	(142.987.337)
Balances as to December 31, 2012	70.349.485	378.208.774	21.807.276	470.365.535	(13.749.943)	(505.907)	4.000	46.257.485	(184.051.037)	318.320.133

(1) Corresponds to the profit of ARS 5,923,463 from the sale of shares of Canfot S.A. during the third quarter, 2011.

(2) Corresponds to the loss of ARS 13,749,943 for the purchase of shares of Canfot S.A. not owned by the Company during the second quarter 2011.

(3) Corresponds to the purchase of shares of Maltería del Puerto S.A.

Notes 1 to 45 enclosed hereto are part of these financial statements.

Signed for identification purposes
with our limited revision report dated on March 8, 2012
Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
Professional Counsel of Economic Science for the City of Buenos Aires (C.P.C.E.C.A.B.A.) Book 1 Page 68

By Supervisory Committee

Ignacio Fabián Gajst
Statutory Auditor

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
Professional Counsel of Economic Science for the City of Buenos Aires (C.P.C.E.C.A.B.A.) Book 245 Page 74

Federico Nicolás Weil
President

TGLT S.A.

INDIVIDUAL STATEMENT OF CHANGES TO SHAREHOLDERS’ EQUITY

FOR THE PERIOD ENDED ON DECEMBER 31, 2011

(figures expressed in Argentine pesos)

	Share capital				Reserves				Results	
Concept	Share capital	Premium of issuance	Additional paid-in capital	Total	Transactions between shareholders	Diff for conversion of net investment abroad	Statutory reserve	Special Reserve (See Note 44)	Unappropriated Retained earnings	Totals
Balances as to January 1, 2011	70.349.485	378.208.774	-	448.558.259	-	-	4.000	69.820.155	(19.890.462)	498.491.952
Acquisition of non-controlling share	-	-	-	-	(2) (13.749.943)	-	-	-	-	(13.749.943)
Sale of non-controlling share	-	-	(1) 5.923.463	5.923.463	-	-	-	-	-	5.923.463
Income for the period	-	-	-	-	-	-	-	(23.562.670)	(21.679.145)	(45.241.815)
Income for the period before Income Tax	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	-	-	-	(23.562.670)	(21.679.145)	(45.241.815)
Balances as to December 31, 2011	70.349.485	378.208.774	5.923.463	454.481.722	(13.749.943)	-	4.000	46.257.485	(41.569.607)	445.423.657

(1) Corresponds to the profit of ARS 5,923,463 from the sale of shares of Canfot S.A. during the third quarter, 2011.

(2) Corresponds to the loss of ARS 13,749,943 for the purchase of shares of Canfot S.A. not owned by the Company during the second quarter 2011.

Notes 1 to 45 enclosed hereto are part of these financial statements.

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TGLT S.A.

INDIVIDUAL STATEMENT OF CASH FLOW

FOR THE PERIODS ENDED ON DECEMBER 31, 2012 AND 2011

(cifras expresadas en pesos argentinos)

	Notes	Dec 31, 2012	Dec 31, 2011
Operating activities		(142.987.337)	(45.241.815)
Total comprehensive income for the period			
Adjustments to obtain the cash flow provided by operating activities			
Income Tax		(12.205.295)	(1.078.376)
Depreciations of properties, plants and equipments		1.254.639	329.530
Amortizations of intangible assets		528.498	62.862
Long-term investment results		32.095.394	(21.923.019)
Net unpaid accrued exchange differences		15.868.480	10.376.019
Cambios en Assetss y LIABILITIESs operacionales			
Trade receivables		-	(316.743)
Other receivables		749.464	(35.276.418)
Credits with related parties		9.347.610	(39.654.352)
Inventories		(78.466.909)	(61.531.756)
Tax assets		(15.363.162)	(4.331.081)
Trade debts		3.877.440	2.905.528
Employees' benefits		348.796	1.325.983
Tax liabilities		13.637.277	464.773
Other tax burdens		1.001.323	261.075
Outstanding sums with related parties		38.253.802	72.683.960
Advanced Payments of clients		53.761.881	15.376.667
Other accounts payable		(20.733.686)	18.145.137
Income tax and assumed minimum income tax		(828.644)	(665.159)
Net cash flow (used in) generated by operating activities		**(99.860.429)**	**(88.087.185)**
Investment activities			
Payments for the purchase of property, plant and equipment		(4.066.425)	(1.349.966)
Payment for the purchase of intangible assets		(564.631)	(582.354)
Net cash flow used in investment activities		**(4.631.056)**	**(1.932.320)**
Financing activities			
Adquisition of non-controlling shares		26.534.419	5.923.463
Payments for purchase of shares of controlled companies		-	(13.749.943)
Loan increases		57.925.551	11.897.338
Net cash flow generated in financing activities		**84.459.970**	**4.070.858**
Net decrease in cash and cash equivalents		(20.031.515)	(85.948.647)
Cash and cash equivalents at the beginning of the year		64.981.797	164.312.906
Effects of the variations of the exchange rate on cash and cash equivalents kept in foreign currency		(4.508.174)	(13.382.462)
Cash and cash equivalents at the close of the year (**See Note 6**)		**40.442.108**	**64.981.797**

Notes 1 to 45 enclosed hereto are part of these financial statements.

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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

AS TO DECEMBER 31, 2012 PRESENTED COMPARATIVELY

(figures expressed in Argentine pesos)

Note 1. Purpose of the financial statements

On October 14, 2010, the C.N.V. issued its approval of Resolution No. 16409 of September 8, 2010, whereby the Company has been authorized to make a public offering of up to 45,400,000 book-entry ordinary shares, with the possibility of extending said offering up to 61,800,000 shares. In turn, the B.C.B.A. (Buenos Aires Stock Exchange) issued the authorization for TGLT S.A shares to be listed on the stock exchange DATED October 19, 2010.

Additionally, on November 4, 2011, the Securities and Exchange Commission of the Federal Republic of Brazil (in Portuguese, Comissão de Valores Mobiliários or “CVM”) granted TGLT S.A. open-company registration and approved the BDR Level II program (Brazilian Depositary Receipts). Furthermore, the BM&FBovespa, the main Brazilian stock exchange market, authorized the negotiation of BDR in its general board. All common shares and ADRs of the company are convertible into BDRs and vice versa.

These individual condensed interim financial statements (hereinafter “financial statements”) as to December 31, 2012, were prepared by the Company Management for the purposes of complying with governing law and with the requirements of the C.N.V. and the B.C.B.A. within the framework of authorization of the public offering of its stock.

Note 2. Use of the IFRS in accordance with the provisions of RT 26

These individual financial statements as to December 31, 2012 are the first statements issued by the Company to be submitted to the regulatory entities, in accordance with Technical Resolution No. 26 (text ordered by Technical Resolution No. 29), prepared in accordance with the International Financing Reporting Standards (IFRS), except solely for the provisions of section 9, which provides that the individual financial statements of entities required to submit consolidated financial statements, investments in subsidiary entities (controlled companies), entities under shared control and associated entities (entities in which significant influence is exercised but which are neither controlled nor under shared control) shall be accounted for using the interest method (proportional equity value) described in IAS 28 “Investments in Associates and Joint Ventures”, and in the case of investments in controlled entities and in entities under shared control with the same adjustments incorporated into the consolidated financial statements in accordance with the consolidation standards contained in IAS 27 and IAS 31. This criterion differs to that set out in IAS 2, according to which this accounting must be performed in such cases at cost or fair value. In the case of the Company, its application is for investments in controlled companies.

The effects of the changes that result from the application of these accounting standards are shown in Note 5. Application of IFRS is mandatory for the Company, pursuant to Technical resolution No. 26 (ordered text) of Federación Argentina de Consejos Profesionales de Ciencias Económicas (Argentine Federation of Profesional Economics Associations) and the Regulations of the Argentine Securities and Exchange Commission (CNV), in this period, which began on January 1, 2012.

Note 3. Activities of the Company

TGLT S.A. main line of business consists of 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, after sale 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 individual condensed financial statements, the Company participates, along with other investors, in various urban projects (See note 1 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.

Note 4. Criteria for Preparing the Individual Financial Statements

4.1. Criteria for the presentation

The individual balance sheet as to December 31, 2012, 2011 and 2010 and the individual statement of income and of other comprehensive income for the period, the statement of changes to shareholder's equity and the statement of cash flow as to December 31, 2012 and 2011 have been presented pursuant to the provisions of 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 the application of Technical Resolution No. 26 of the F.A.C.P.C.E. (as amended by Technical Resolution No. 29, passed by the F.A.C.P.C.E. on December 3, 2010), which adopts the International Financing Reporting Standards issued by the International Accounting Standards Board (IASB) for certain entities included in the public offering system of Law No. 17811, whether on account of their equity or debt securities, or because they have requested authorization to be included in said system.

As the Company is included in the public offering system due to its share capital, the enforcement of such standards is mandatory as from this year that commenced on January 1, 2012.

These financial statements have been prepared under the historical cost basis of accounting, modified, when applicable, to adopt other basis of accounting as required by the IFRS.

These individual financial statements correspond to the period beginning on January 1, 2012 and ending on December 31, 2012. According to the IFRS, the Company presents its condensed consolidated accounting information in comparison with the last two fiscal years closed at December 31, 2011 and 2010, and shows the statement of income and of other comprehensive income for the period, the statement of changes to shareholders' equity and the statement of cash flow for the period ended on December 31, 2012, comparing it to the same period during the previous fiscal year.

These individual financial statements have been approved by the Board of Directors at the meeting held on March 8, 2013.

4.2. Newly Issued Standards and Interpretations - Issued Standards and Interpretations not yet adopted

At the date of issuance of these financial statements, there are certain standards, amendments and interpretations to existing standards not yet enforced, which have not been adopted by the Company.

The Company did not adopt the IFRS or their revisions, which are detailed below, due to the fact that their enforcement is not required as to the close of the year ended on December 31, 2012:

IFRS 9 (as amended in 2010: Financial Instruments (1) ;

IFRS 10: Consolidated Financial Statements (1);

IFRS 11: Joint Arrangements (1);

IFRS 12: Disclosure of Interests in Other Entities (1);

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.2. Newly Issued Standards and Interpretations - Issued Standards and Interpretations not yet adopted (continued)

NIIF 13: Medición del valor razonable (1);

NIIF 19: Beneficios a empleados (1);

NIC 32 y NIIF 7: Enmienda sobre compensación de Assetss financieros con LIABILITIESs financieros (2).

Improvements to the IFRSs issued in 2012 (3)

(1) Applicable standards for the years commencing on or after January 1, 2013.

(2) Applicable as from the periods commencing on 2014.

(3) Include improvements to the following IFRSs: IFRS 1 First- time adoption of the International Financial Reporting Standards, IAS 1 Presentation of Financial Statements, IAS 16 Property Plant and Equipment, IAS 32 Financial Instruments: Presentation, IAS 34 Interim Financial Reporting. Applicable to annual periods commencing on January 1, 2013. Advanced application is allowed.

On the other hand, the Company decided to adopt beforehand the amendment to IAS 1 regarding the presentation of the Statement of Income and of Other Comprehensive Income, issued on June, 2011, applicable as from July, 2012.

IFRS 9 titled "Financial Instruments" issued on November, 2009 and amended on October, 2010, introduces new requirements for the classification and measurement of financial assets and liabilities and to their disposal. IFRS 9 requires that all financial assets falling within the scope of IAS 39 Financial Instruments – Recognition and Measurement be measured after their depreciated cost or fair value. Specifically, debt investments within the scope of a business model , which aims at collecting contractual cash flow, and which have contractual cash flow consisting solely in payments of principal and interests on the effective share capital, are, in general, measured at the depreciated cost at the closing of subsequent accounting periods. All other debt or equity investments are measured at their fair values at the closing of the subsequent accounting periods.

The most significant effect of IFSR 9 in connection with the classification and measurement of financial liabilities refers to the accounting entry of changes of the fair value of financial liabilities (determined as financial liabilities at their fair value with changes in the income) attributable to changes on the credit risk in such liability.

Specifically, according to IFRS 9, for those financial liabilities that are designated as financial liabilities at their fair value with changes in the results, the amount of the change in the fair value of the financial liability, which is attributable to changes in the credit risk in that debt, is recognized through other comprehensive income, unless the recognition of the changes in the credit risk of the debt in other comprehensive income created or increased accounting mismatch. The changes in the fair value attributable to the credit risk of a financial liability are not subsequently reclassified as income. Previously, according to IAS 39, the total amount of change in the fair value of the financial liabilities designated at its fair value with changes in the results was recognized in gains and losses. The Company management is analysing the potential impact of adopting this amendment. The impact of the potential effect cannot be determined reasonably until the mentioned analysis is concluded.

IFRS 10 was issued by IASB on May 12, 2011. It sets forth the principles for the preparation and presentation of the consolidated financial statements when the entity controls one or more entities. IFRS replaces the consolidation requirements set forth in SIC-12 "Consolidation- Special Purpose Entities" and IAS 27 "Consolidated and Separate Financial Statements." Although such standard is in effect for year periods starting as from January 1, 2013, advanced compliance of such standard is advisable. IFRS is based in existing principles to identify the control concept as the key factor to establish whether an entity must be included in the consolidated financial statements of the controlling company.

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.2. Newly Issued Standards and Interpretations - Issued Standards and Interpretations not yet adopted (continued)

Such standard provides additional orientation to help determining control where such control is difficult to evaluate. The Company Management is analysing the potential impact of adopting this amendment. The impact of the potential effect cannot be determined reasonably until the mentioned analysis is concluded.

IFRS 11 “Joint Arrangements”, issued by the IASB on May 12, 2011, provides to reflect the implications of joint arrangements in a more realistic way, focusing in the rights and liabilities of such arrangement instead of its legal form (as is currently the case). Such Standard is focused on solving the inconsistencies in the explanation of joint agreements as it requires a simple method to register jointly interests in controlled entities.

The application of this standard will have an impact on the exposition and inversion in the joint business “Marina Río Luján S.A.” owned by the Company. The Company Management is analysing the potential impact of adopting this amendment. The impact of the potential effect cannot be determined reasonably until the mentioned analysis is concluded.

On May 12, 2011, IASB issued IFRS 12 “Disclosure of Interests in Other Entities”. IFRS 12 is a new complete standard dealing with the requirements of explanation for every kind of interest in other entities, including subsidiaries, joint agreements and associated entities and non-consolidated structures. Applicable to annual periods commencing on January 1, 2013. Advanced application is adviced. The Company Management is analysing the potential impact of adopting this amendment. The impact of the potential effect cannot be determined reasonably until the mentioned analysis is concluded.

Amendment to IAS 19 includes a number of specific improvements to the Standard. The main changes refer to:

- Eliminating the “corridor method”, by requiring entities to recognise actuarial gains and losses arising on the period,
- Rationalising the presentation of changes in assets and liabilities of the plan,
- Improving the explanation requirements, including information regarding the characteristics of the benefit plans and the risks that the entities are exposed to by participating in such plans.

The amended version of IAS 19 is effective for the years commencing on January 1, 2013. The Company Management considers that enforcement of this standard will not have a significant impact.

On May 12, 2011 the IASB and the Financial Accounting Standards Board (FASB) issued a new guideline regarding measurement of the fair value and the requirement for dissemination of the IFRS and the US GAAP. The guideline is found in IFRS 13 “Fair Value Measurement” and completes the joint committees’ task for improving and integrating the IFRS and the US GAAP.

IFRS 13 provides for a single structure to measure the fair value when such is required by other standards. This IFRS is applied to financial elements, as well as non-financial elements, both measured at their fair value.

The fair value is measured as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.” The Board of Directors establishes in advance that IFRS 13 will be adopted in the Group financial statements for the year commencing on January 1, 2013. The changes may not affect significantly the disclosures in the Group financial statements. However, it is not be possible to reasonably determine the impact of the potential effect until a detailed analysis has been performed.

On June 2011 the IASB issued Presentation of Items of Other Comprehensive Income (amendments to IAS 1). Such amendments improved the coherence and clarity of the presentation of items of other comprehensive income (OCI). Such amendments clearly stated that the Board should include in the presentation the income for the period and the presentation of the OCI jointly and with the same degree of importance.

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.2. Newly Issued Standards and Interpretations - Issued Standards and Interpretations not yet adopted (continued)

As it was explained in the paragraph IN13, IAS 1 was amended in 2007 to require that the result for the period and the OCI be presented jointly and with the same degree of importance. The amendments issued on June, 2011 maintained this requirement, but focusing on improving the way in which the items of OCI are presented.

The main change derived from the amendments was that entities were required to group the items presented in OCI based on the fact of whether they can be potentially reclassified later at the income for the period (re classification adjustments). The amendments did not state which items were presented in OCI.

The amendments did not change the option to present the items of OCI before taxes or net after taxes.

However, if the items are presented before taxes, the tax related with each of the two groups of the items of OCI (the ones that can be reclassified and those that will not be reclassified) should be presented separately.

Although the amendment to IAS 1 is mandatory as from July 2012, the Company decided to apply it in advance.

The amendment “Offsetting Financial Assets and Financial Liabilities” (Amendments to IAS 32 and IFRS 7), issued in December 2011, revoked paragraph GA38 and added paragraphs GA38A to GA38F. Entities will apply these amendments to yearly periods that begin as from January 1, 2014. A company can apply these modifications retroactively. Early application of the same is allowed. If an entity applies these amendments as of a previous date, it must reveal this fact as well as reveal the information required in Diclosure-Offseting of Financial Assets and Liabilities” (Amendments to IFRS 7), issued in December, 2011.

4.3. Foreign currency and functional currency

The financial statements of the Company, the income and financial position are expressed in pesos (legal tender of the Argentine Republic), which is the functional currency of the Company (currency of the main economic environment in which it operates), being the currency in which the individual financial statements are presented.

The transactions in currencies other than the entity functional currency (foreign currency) were entered using the exchange rates on the dates when the transactions were performed. At the end of the period and of each fiscal year reported, the monetary items expressed in foreign currencies were converted using the exchange rates in effect on that date. The non-monetary items entered at their fair value, expressed in foreign currencies, were reconverted using the exchange rates in effect on the date when the fair value was determined.

Foreign exchange differences were recognized in the income for each period except when originating in foreign-currency loans related to assets under construction for productive use, which were included in the cost of said assets since they were considered as an adjustment to the cost of interest on those loans in foreign currency.

For the purposes of applying the equity method, the financial statements of each entity were expressed in pesos (the legal tender of the Argentine Republic for all companies domiciled thereat) which, as explained before, is the functional currency of the Company (currency of the main economic environment in which a company operates), being the currency in which financial statements are presented.

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.4. Loan Costs

The financial costs incurred through loans obtained to directly finance real estate urban projects (undergoing development), are included as part of the cost of such assets, in accordance with the provisions set forth in IAS 23 "Loan Costs."

Additionally, for generic loans −that is, those not assigned specifically to a particular real estate urban project− the assignment criterion provided for in paragraph 14 of the referred IAS was used.

The amount of loan costs capitalized during the period and the fiscal years reported do not exceed the total loan costs incurred during that same period and fiscal years, respectively.

The remaining loan costs are included as profits and losses when they are incurred.

4.5. Taxes

The Income Tax charge represents the total current Income Tax, generated by tax losses, and the Deferred Tax, that results from temporary differences between accounting and tax measurements.

4.6. Current Taxes

The charge for the current tax was based on the tax losses recorded for the period/fiscal year. The tax income differed from the income reported in the consolidated statement of comprehensive income due to the income or taxable expense or deductible items from other years and due to the items that will never be taxable or deductible.

The current tax charge was calculated using the tax rates promoted or substantially approved to the end of the fiscal year reported in countries in which the Group companies are located.

The current taxes were entered as income or expenses and included in the comprehensive income.

4.7. Deferred taxes

The Deferred Tax was recognized for the temporary discrepancies between accounting criteria applied to the assets and liabilities included in the financial statements and their respective tax criteria.

The Deferred Tax Liabilities were generally recognized for all future temporary taxable discrepancies. The Deferred Tax Assets were recognized for all the temporary deductible discrepancies to the extent that it was deemed likely that the entity would have future tax earnings from which to charge these temporary deductible discrepancies. These assets and liabilities were not recognized when the temporary discrepancies were the result of capital gain or of the initial recognition (different from the one generated in a joint business) of other assets and liabilities in transactions that did not bear on tax earnings or accounting earnings.

The Deferred Tax Assets and Liabilities were measured using the tax rates. The application of those rates is expected during the period in which the assets are realized or the liabilities, paid, based on the rates (and tax laws) approved, or in the final stages of approval, by the end of the period or fiscal year reported.

Measurement of the Deferred Tax Liabilities and Deferred Tax Assets at the end of the period/fiscal year being reported reflect the tax consequences of the way in which the entity intends to recover or liquidate the amount of its assets or liabilities in its books.

Deferred Tax Assets were only offset with the Deferred Tax Liabilities when a) the right to compensate them was legally allowed by tax authorities, and when b) the deferred tax assets and liabilities result from the relevant Income Tax paid to the same tax authorities and TGLT S.A. had the intention of liquidating its assets and liabilities as net assets and liabilities.

Deferred Tax charges were entered as income or expenses and included in the comprehensive income.

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.8. Assumed minimum income tax

The Assumed Minimum Income Tax is supplementary to the Income Tax because, whereas the latter is applied to the taxable income of each fiscal year, the Assumed Minimum Income Tax is a minimum tax of 1% applied to income potentially obtained from certain productive assets as to the closing of each fiscal year, and the company must pay whichever of the two taxes amounts to more. However, if the Assumed Minimum Income Tax exceeds the Income Tax in a fiscal year, the excess may be credited to any amount by which the Corporate Income Tax exceeds the Assumed Minimum Income Tax in any of the ten following periods.

During the period ended on December 31, 2012, the amount calculated as Assumed Minimum Income Tax in excess of the Income Tax was ARS 3,054,305. This amount, which added to the charges from previous fiscal years represents ARS 9,184,999, in credit, is listed under “Tax Assets” entry as a non-current assets, because the amounts paid for this tax are considered as recoverable before they are barred by a statute of limitations.

4.9. Property, plant and equipment

Property, plant and equipment are expressed at the net cost of the cumulative depreciation and the cumulative losses due to value impairment, when applicable. This cost includes the cost of replacing part of the property, plant, and equipment, as well as loan costs incurred due to long term construction projects, if the requirements for entering them are fulfilled.

Significant components of property plant and equipment that must be replaced periodically are recognized by the Company as individual separate assets, with their specific useful lives and respective depreciations. Likewise, when a major inspection or repair is performed, the cost incurred is recognized as a replacement in the book value of the plant and equipment if the criteria for recognizing them are met. Any other repair and maintenance costs are entered in the statement of income as they are incurred.

Depreciation is calculated using the straight-line method, applying rates that are sufficient to extinguish their values at the end of the estimated useful life. These useful lives are based on criteria and standards that are reasonable according to the experience obtained by the Company Management.

For more information regarding the useful lives assigned, please refer to Note 4.23 (Opinion, Accounting Estimates and Significant Assumptions).

Property, plant and equipment components or any significant parts of the same recognized initially are written off when they are sold or when no future financial benefits from the use or sale of the same are expected. Any earnings or losses at the time an asset is written off (calculated as the difference between the net incomes obtained from the sale of the asset and its book value) are included in the statements of income when the asset is written off.

The residual values, useful lives, and depreciation methods and rates of the assets are checked and adjusted prospectively on the closing date of each fiscal year when necessary.

Evolution of property, plant, and equipment assets is presented in Note 10.

4.10. Intangible assets

4.10.1 Trademarks and Software

This includes expenses incurred in software acquisition and brand registry. The intangible assets acquired are initially measured at their cost value. Following the initial recognition, they are entered in the books at their cost value minus any cumulative amortization and any cumulative loss due to value impairment.

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.10. Intangible assets (continued)

4.10.1 Trademarks and Software (continued)

The amortization is calculated by the straight-line method, whose rate is determined on the base on the useful life assigned to assets from the month of incorporation inclusive. The evolution of intangible assets is included in Note 11.

The amortization period and method for intangible assets with a predetermined useful life are checked at least at the close of each period reported. The changes in useful life expected or pattern expected for consumption of the asset are entered in the books upon changing periods or amortization methods, as the case may be, and they are treated as changes in accounting estimates. The amortization expense in intangible assets with finite useful lives is listed in the statement of income under the expense category that is consistent with the purpose of the intangible asset in question.

Any gain or loss that results from writing off an intangible asset is calculated as the difference between the net income obtained from the sale and the asset book value, included in the statements of income when the asset is written off.

4.10.2 Expenses incurred in Software Research and Development

Research expenses are entered in the books as expenses as they are incurred. Development expenses incurred in a specific project are listed as intangible assets when the Company can prove the following:

- The technical feasibility of completing the intangible asset so that it is available for its expected use or sale.
- Its intention of completing the asset and its capacity to use or sell it.
- How the asset will generate future financial benefits.
- The availability of resources for completing the asset.
- The capacity to perform reliable measurements or disbursements during its development.

Alter a development expense is initially recognized as an asset, the cost model is applied, which requires that the asset be entered in the books at its cost value minus cumulative amortization and cumulative losses due to value impairment. Amortization of assets begins when development has been completed and the asset is available for use. The asset is amortized throughout the period in which generation of future financial benefits is expected. During the development period, the asset is subject to yearly tests for determining whether there has been value impairment.

4.11. Impairment test of capital gain, intangible assets and property, plant and equipment

4.11.1 Impairment of non-financial assets

At the closing of each period reported, the Management must evaluate whether there is any indication of the impairment of the value of a non-financial asset. If there is any such indication, or when yearly impairment tests for determining the impairment of assets are required, the recoverable value of such asset is estimated. The recoverable value of an asset is the fair value minus the sale cost –whether it is of an asset or of a cash generating unit– or its in-use value, whichever is greater, and it is determined for individual assets unless the asset does not generate cash flow that is substantially independent from other assets or asset groups. When the book value of an asset or of a cash generating unit is greater than its recoverable value, the asset is considered impaired, and its value is reduced to its recoverable value. When evaluating the in-use value, the estimated cash flows are deducted at their present value using a before tax deduction rate that reflects current market evaluations of the temporary value of money and the asset specific risks. To determine the fair value minus the sales cost, recent market transactions are taken into account, if there are any. If this type of transaction cannot be identified, the valuation model deemed most appropriate is used.

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.11. Impairment test of capital gain, intangible assets and property, plant and equipment (continued)

4.11.1 Impairment of non-financial assets (continued)

The management bases its calculation of value impairment on detailed estimates and prediction calculations conducted separately for each of the Group cash generating units to which individual assets are assigned. In general, the estimates and prediction calculations cover five-year periods. For longer periods, a long-term growth rate is calculated and applied to the future cash flow of the project as from the fifth year.

Losses due to value impairment of continued transaction, including the impairment of assets, are included in the statement of income under the expense category for the function of the deteriorated asset, except in the case of properties previously revaluated when the revaluation has been included in the other comprehensive income. In this case, the value impairment is also included in the other comprehensive income until reaching any evaluation previously recognized.

For assets in general, once the capital gain has been excluded, at the closing date of each period reported, an evaluation is performed to determine whether or not there is any indication that losses due to impairment previously recognized no longer exist or have decreased. If there is any such indication, the Management conducts an estimate of the recoverable amount of the asset or of the cash-generating unit. A loss due to impairment previously recognised is only reverted if there has been a change in the assumptions used for determining the recoverable value of an asset as from the last time the last loss due to impairment has been recognised. This reversal is limited in such a way that the asset book value does not exceed its recoverable value or exceed the book value determined, net of the respective depreciation, if no loss due to deterioration for the asset has been recognised in previous periods. This reversal is included in the statement of income unless the asset is entered in the books based on its newly assigned value, in which case the reversal is treated as a revaluation increase.

4.11.2 The following criteria are also applied to evaluation of impairment of specific assets:

Capital gain

Capital gain is tested yearly (at December 31) and when there are circumstances indicating that their book value may have deteriorated, to determine whether there is impairment.

Capital gain impairment is determined by evaluating the recoverable value of each cash-generating unit (or group of cash-generating units) related to the capital gain. When the recoverable value of each cash-generating unit is lower than its book value, a value deterioration loss is recognized. Losses due to impairment related to capital gain cannot be reverted in future periods.

Intangible assets

Intangible assets with indefinite useful lives undergo tests for determining if there is any value deterioration, whether it is done individually or for the cash-generating unit, as the case may be, whenever financial statements are issued and when the circumstances indicate that their book value may have undergone deterioration.

4.12. Inventories

Inventories include developing urban projects (works in progress)

Real estate classified as inventories are valued at the acquisition and/or construction costs, or at their estimated market value, whichever is lower. The value of the land and improvements, direct costs and general construction expenses, loan costs (when the requirement set forth in IAS 24 are met), and real estate taxes are included in the costs.

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.13. Leases

Pursuant to IAS 17 “Leases”, the financial ownership of an asset in a financial lease is transferred to the lessee if the lessee takes on substantially all the risks and rewards of ownership of such leased asset. The related asset is thus recognized at the beginning of the lease at its fair value or at the value of the minimum payments for the lease if the latter is a lower amount, established at the beginning of the lease.

As to December 31, 2012, the company has not entered into financial lease agreements.

All other leases are treated as operating leases. Operating lease payments are listed lineally as expenses based on the lease agreement, and related costs such as maintenance and insurance are listed as expenses when they are incurred.

4.14. Acknowledgement of income

In general, income is recognised on the basis of the fair value of the consideration charged or to be charged, taking into account the estimated amount of any deduction, bonus, or commercial reduction provided by the entity.

Sale of completed units (Inventories)

Ordinary income from the sale of units has been acknowledged when each and every of these conditions were met:

- the Company transferred the purchaser significant risks and advantages derived from ownership;
- the Company did not keep for itself any effect of ordinary management of the property sold, to the degree usually related to the property, or keep the effective control over those effects;
- the amounts from ordinary income was reliably measured;
- the Company regarded as probable the reception of economic benefits associated with the transaction;
- costs incurred or to be incurred in relation to the transaction were measured reliably.

Services rendered

Income from services rendered corresponding to management agreements are acknowledged as results if the Company has rendered such services, regardless of the moment they have been invoiced.

4.15. Classification of Entries into Current and Non-current

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

a) Its realization is expected, or its sale or consumption is intended within the entity regular operating cycle;
b) It is maintained primarily for the purposes of trading;
c) Its realization is expected for the twelve-month period following the balance sheet date; or
d) It is cash or a cash equivalent (as defined in IAS 7), not applied to restrictions to being exchanged or used to pay a liability, at least within the twelve-month period following the balance sheet date.

Any other assets are classified as non-current assets.

Additionally, liabilities are listed as current liabilities when they meet any of the following criteria:

a) Its liquidation is expected during the entity regular business cycle;
b) It is maintained primarily for the purposes of trading;
c) It must be liquidated within the twelve-month period as of the date of the balance sheet; or
d) The entity is not unconditionally entitled to extend the timeframe for paying the liability for at least the twelve months that follow the date of the balance sheet.

(figures expressed in Argentine pesos)

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.15. Classification of Entries into Current and Non-current (continued)

Any other liabilities are classified as non-current liabilities.

Pursuant to the provisions of IAS 1, an entity normal operating cycle is the period between the acquisition of material assets incorporated in the production process, and realization of the products as cash or cash equivalents. In the case of development of real estate projects, which are the Company main line of business, the normal operating cycle is the period between the launch of sales and construction and the conveyance of functional units.

4.16. Investment in subsidiaries

As to December 31, 2012, 2011 and 2010, l the Company held direct interests in other companies as follows:

Company	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Canfot S.A.	90,91%	90,91%	75,04 %
Pico y Cabildo S.A.	97,00%	97,00%	-
Maltería del Puerto S.A.	90,00%	75,00%	75,00 %
Marina Río Luján S.A.	49,99%	49,99%	49,99 %
TGLT Uruguay S.A.	100,00%	100,00%	-

Investments in these companies were valued using the interest method (equity method), as provided in Technical Resolution No. 26 of the F.A.C.P.C.E., instead of using the cost-based or fair-value accounting as required by IFRS.

Managements of those Companies have reconciled accounting information on shareholders' equity results in the relevant financial statements with the IFRS. This information, along with the consideration of adjustments for business companies and others, were considered by the Company in the valuation of its long-term investments.

4.17. Business Combinations

The Company opted for restating the business combinations prior to the date of transition to the IFRS (December 31, 2010), and acquiring its stock in the joint controlled entity "Marina Río Luján S.A.", in accordance with the provisions set forth in IFRS 1.

Thus, the Company recognised all the assets and liabilities on the date of the business combinations prior to the date of transition to the IFRS and calculated them as at said date based on their fair values on the date of acquisition, as required by IFRS 3 "Business Combinations" and IAS 31 "Interests in Joint Ventures".

Finally, upon recalculating the business combinations prior to the date of transition to the IFRS (and acquisition of the jointly controlled entity "Marina Río Luján S.A."), the Company has proceeded to also recalculate the added values related to the referred acquisitions.

In summary, the purchases were entered in the books by applying the acquisition method. The consideration obtained as a result of the acquisition was calculated at the estimated fair value (at the date of exchange) of the assets assigned and liabilities incurred or assumed and the equity instruments, except for the deferred tax assets or liabilities, or assets related to agreements entailing benefits for employees that were included and calculated pursuant to IAS 12, "Income Taxes", and IAS 19 "Employees' Benefits", respectively.

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.18. Capital gains

These result from the restatement of business combinations prior to December 31, 2010. See Note 4.16 of the condensed consolidated financial statements.

The capital gain is the amount that exceeds the sum of the consideration transferred, the amount of any non-controlling equity interest in the entity acquired—when applicable—and the fair value of the equity interest that the purchaser previously had (when applicable) in the equity in regard to the net amount at the date of acquisition of the identifiable assets required and liabilities assumed.

Capital gain is not amortised, but reviewed at the date of each report to determine whether it is necessary to acknowledge any impairment (see more on the impairment test for capital gain in Note 4.11).

Changes in the interest in ownership of a subsidiary are entered in the books as equity transactions and do not affect the book value of the capital gain.

As to December 31, 2012, capital gain has not undergone impairment, see Note 15.

4.19. Allowances

Allowances were recognized in the cases at which the Company was faced with a current obligation (whether it was legal or implied) for which it was responsible and that resulted from a past event, and it would have to let go resources that brought financial benefits to discharge such obligation, and when it was possible to reasonably estimate the amount of the obligation.

The amount listed as an allowance was the best estimate of the disbursement required for discharging the current obligation, at the close of the fiscal year reported, taking into account the respective risks and uncertainties. When an allowance is calculated using the cash flow estimated for discharging a current obligation, its book value represents the current value of said cash flow.

When recovery of some or all the financial benefits required to cancel an allowance was required, an account receivable was listed as an asset if it was virtually certain that the payment would be received and the amount receivable could be calculated reliably.

Note 40 to the individual condensed financial statements contains a description of the main complaints received by the Company as to December 31, 2012.

4.20. Financial Assets and Liabilities, Loans, and Accounts Receivable and Payable

4.20.1 Financial Assets

1) Initial Measurement

Financial assets under IAS 39 are classified as financial assets at their fair value with changes in income, loans and account receivable, investments maintained until their due date, financial assets available for sale, or as derivatives assigned as hedge instrument with effective coverage, as applicable. The Company determines how these financial assets are classified when they are recognized initially.

All the financial assets are initially listed at their fair value plus –for financial assets not entered into the books at their fair value with changes in income– transaction costs that can be directly ascribed.

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.20. Financial Assets and Liabilities, Loans, and Accounts Receivable and Payable (continued)

4.20.1 Financial Assets (continued)

1) Initial Measurement (continued)

Purchases or sale of financial assets that require delivery of assets within a term established in a regulation or market agreement (conventional sales agreement) are entered on the date of the purchase, that is, the date when the Group commits to purchase or sell the asset.

The Company financial assets include cash and short-term placements, trade debtors, loans, and other accounts receivable and listed and unlisted financial instruments.

2) Subsequent Measurement: Financial assets are measured subsequently in the following way, depending on their classification:

a) Financial Assets at fair value with changes in income

Financial assets at fair value with changes in income include the assets maintained for the purposes of trading and the financial assets allotted when initially recognized, and at the fair value with changes in income. Financial assets are classified as maintained for negotiating purposes when they are acquired to be sold or repurchased in the near future.

Financial assets at their fair values with changes in income are entered in the financial statement of income at their fair values, and the changes in this fair value are recognized as income or financial costs in the statement of income.

a) Loans granted and accounts receivable

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. Following their initial recognition, these financial assets are measured at their amortized cost by using the effective interest rate method for loans granted in foreign currency and a rate equivalent to Badlar rate plus 200 points for loans granted in local currency, minus any impairment. Amortized costs are calculated by contemplating any deduction or goodwill for acquisition, and the commissions or costs that are an integral part of the effective interest rate. Amortization of the effective interest rate is recognized as financial income in the statement of income. The losses that result from impairment are entered in the statement of income as financial costs.

a) Investments Maintained until Expiry

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as maintained until maturity when the Company has the intention and capacity of maintaining them until their maturity date. Following their initial recognition, investments maintained until maturity are measured at their amortized costs by using the effective interest rate method, minus any impairment. Amortized costs are calculated by contemplating any deduction or goodwill for acquisition, and the commissions or costs that are an integral part of the effective interest rate. Amortization of the effective interest rate is recognized as financial income in the statement of income. The losses that result from impairment are entered in the statement of income as financial costs.

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Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.20. Financial Assets and Liabilities, Loans, and Accounts Receivable and Payable (continued)

4.20.2 Financial Liabilities

1) Initial Recognition and Measurement

Financial liabilities under IAS 39 are classified as financial liabilities at their fair value with changes in income, loans and accounts payable, or as derivatives assigned as hedge instruments with effective coverage, as applicable. The Company determines how these financial liabilities are classified when they are recognized initially.

All financial liabilities are initially recognized at their fair value plus –for loans and accounts payable– transaction costs that can be ascribed directly.

The Group financial liabilities include commercial accounts payable, loans and other accounts payable.

2) Subsequent Measurement: Financial liabilities are measured subsequently in the following way, depending on their classification:

a) Financial liabilities at fair value with changes in income

Financial liabilities at fair value with changes in income include the financial liabilities maintained for the purposes of trading and the financial liabilities allotted when initially recognized, and at the fair value with changes in income.

Financial liabilities are classified as maintained for negotiating purposes when they are incurred for the purposes of negotiating in the near future.

Earnings or losses due to liabilities maintained for the purposes of trading are recognized in the statement of income.

a) Loans that accrue interests

Following their initial recognition, loans that accrue interest are measured at their amortized cost using the effective interest rate method. Earnings and losses are recognized in the statement of income when liabilities are written off, as well as through the amortization process using the effective interest rate method.

Amortized costs are calculated by contemplating any deduction or goodwill for acquisition, and the commissions or costs that are an integral part of the effective interest rate. Amortization of the effective interest rate is recognized as financial cost in the statement of income.

4.21. Short-Term Employees’ Benefits

Short-term employees’ benefits, including the right to holidays are current liabilities included under pensions and other obligations with employees, measured at the amount deducted that the Company expects to pay as a result of its unused benefits.

4.22. Shareholders’ Equity Accounts

Shareholder’s equity items were prepared in accordance with the accounting standards in effect to the date of transition. The movements listed under this item were accounted for in accordance with the respective meeting decisions, legal provisions or regulations (Reserves), although said items would not have existed or would have had different balances had the IFRS been applied in the past.

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.22. Shareholders' Equity Accounts (continued)

4.22.1. **Share capital**

This is made up of contributions committed to or performed by Shareholders represented by shares of stock, and includes outstanding shares at a par value.

4.22.2. **Statutory reserve**

In accordance with the provisions set forth in Law No. 19550, the Company must maintain a statutory reserve not inferior to 5% of the positive result of the algebraic sum of the profits and losses for the fiscal year, adjustments of previous fiscal years, transfers of other comprehensive income to cumulative income, and losses accumulated from previous fiscal years, until reaching 20% of the Share Capital.

4.22.3. **Special Reserve**

See Note 46

4.22.4. **Cumulative Income**

This includes earnings or losses, accumulated but not specifically allotted, which, when positive, may be distributed if decided on at Shareholder's Meeting, provided they are not subject to legal restrictions such as the one referred to in the previous paragraph. It includes the income from previous fiscal years that were not distributed, the amounts transferred from other comprehensive income, and adjustments to previous fiscal years as a result of applying accounting standards.

In order to absorb the negative balance of the "Cumulative Income" account, when applicable, at the closing of the fiscal year to be considered at the Shareholders' Meeting, the balances must be earmarked in the following order:

a) Reserved earnings (voluntary, statutory and legal, in that order);

b) Capital Contributions;

c) Issuance premiums and own share negotiation (when the balance of this account is positive);

d) Other equity instruments (when it is legal and feasible from a corporate standpoint);

e) Capital adjustments, and

f) Share capital.

4.23. Good judgement, Accounting Estimates, and Significant Assumptions

Preparation of the Company financial statements requires that the Management delivers good judgement, accounting estimates and significant assumptions that bear on the amounts of income, expenses assets and liabilities reported and the disclosure of contingent liabilities, at the closing of the period/fiscal year reported. In this sense, the uncertainty regarding these assumptions and estimates may result in profit and losses that will require a significant adjustment in future periods of the amount of assets or liabilities earmarked and entered into the books.

In the process of applying the Company accounting policies, Management did not make any decisions with a potentially significant effect on the amounts recognized in the individual condensed financial statements, except for what was indicated regarding recognition of tax credits.

The main accounting estimates and underlying assumptions included in the Company individual financial statements as to December 31, 2012 are described below. Such estimates and assumptions are periodically reviewed by the Management. The effects of the reviews of the accounting estimates are recognized in the period/fiscal year in which the estimates are reviewed, whether it is in the current period or fiscal year or in a future one.

Note 4. Summary of the Main Accounting Policies Applied (continued)

4.23. Good judgement, Accounting Estimates, and Significant Assumptions (continued)

a) Estimate of Useful Lives:

Below, there is a description of the periods during which the Management estimates that the assets will no longer be usable or will stop benefiting the Company financially::

	Useful life
Chattels and supplies	10 years
Hardware	5 years
Leasehold improvements	5 years
Trademarks	10 years
Software	3 years
Software development	3 years
Showrooms	3 years

The Management reviews its estimates of the useful lives of depreciable or amortizable assets to the date of each period/fiscal year, based on the use expected for the assets. The uncertainty of these estimates is related to the technical obsolescence that could change the usefulness of certain assets such as software or technological equipment.

Capital gain has been classified as having an undefined useful life and is subject to impairment analysis.

a) Estimate of the impairment of non-cash assets.

There is impairment when the book value of an asset or cash generating unit exceeds its recoverable amount, which is the fair value minus the sales costs, or its use value, whichever one is greater. Calculation of the fair value minus sales costs is based on information available regarding similar sales transactions, performed by independent parties for similar assets, or at observable market prices, minus the incremental costs incurred in transferring ownership of the asset.

Calculation of the use value is based on discounted cash flow model. Cash flow is obtained from the budget for the next five years and does not include restructuring activities to which the Company has not yet committed, or significant future investments that will increase the performance of the asset or of cash-generating unit subject to testing. The recoverable amount is very sensitive to the discount rate used for the discounted cash flow model, and to entries of future funds expected at the growth rate used for the purposes of extrapolation, and therefore, the uncertainty is related with said estimate variables.

b) Taxes

The Company establishes allowances based on reasonable estimates. The amount of said allowances is based on various factors, such as experience with previous tax audits and the different interpretations of tax regulations by the entity subject to the tax and the tax authority in charge. Differences in the interpretation may result in a large number of issues according to the conditions that prevail at the legal address of the financial group entity.

The Deferred Tax Asset that results from tax losses is recognized for all the tax losses not used, provided it is likely that there will be a future tax profit available that can be used to compensate said losses.

Determination of the amount of the Deferred Tax Asset that can be recognized requires a significant level of judgment by the management, based on the timing and level of the future tax profit and of the future tax planning strategies. The Company has recognized a Deferred Tax Asset of ARS 18,416,352 as to December 31, 2012.

(figures expressed in Argentine pesos)

Note 4. Criteria for Preparing the Individual Financial Statements (continued)

4.24. Cash and cash equivalents

This includes cash, deposits, and other short-term deposits, and highly liquid investments that are easily convertible into cash and are subject to a minimum risk of changing value.

In the national legal tender: at its par value.

In foreign currency: These amounts were converted at the exchange rate in effect at the closing of the applicable period/fiscal year for liquidation of the respective transactions. Exchange rate differences were ascribed to the period's profits and losses.

Financial assets such as Mutual Funds and commercial papers were classified as "Financial Assets at fair value with changes in income", considering the nature and purpose established during the initial recognition. The net earnings or losses for any income obtained that results from financial assets were recognized in the income and classified as financial income in the individual comprehensive statement of income.

Note 5. Adoption of International Financial Reporting Standards, reconciliation

5.1. Balance sheet reconciliations of individual condensed financial statements to IFRS as to December 31, 2011 and 2010

		As to December 31, 2011			As to December 31, 2010		
	Ref.	Argentine GAAP (prior)	Transition effect	IFRS	Argentine GAAP (prior)	Transition effect	IFRS
ASSETS							
Current assets							
Cash and banks	(a)	284.382	64.697.415	64.981.797	158.092.507	6.220.399	164.312.906
Short-term investments	(a)	64.697.415	(64.697.415)	-	6.220.399	(6.220.399)	-
Trade receivables		1.132.281	(815.538)	316.743	1.412.140	(1.412.140)	-
Other receivables	(b)	43.778.825	(5.422.623)	38.356.202	4.659.804	(1.397.338)	3.262.466
Credits with related parties		-	40.794.074	40.794.074	-	2.545.955	2.545.955
Inventories	©	-	138.417.759	138.417.759	-	76.886.003	76.886.003
Total current assets		109.892.903	172.973.672	282.866.575	170.384.850	76.622.480	247.007.330
Non-current assets							
Other receivables	(b)	11.054.839	(10.727.144)	327.695	6.708.566	(6.598.357)	110.209
Credits with related parties		-	1.591.474	1.591.474	-	-	-
Inventories	©	174.521.984	(174.521.984)	-	76.886.003	(76.886.003)	-
Tax assets	(f)	-	12.238.189	12.238.189	-	6.828.732	6.828.732
Fixed assets		2.409.534	(1.083.368)	1.326.166	305.730	-	305.730
Intangible assets		731.505	-	731.505	212.013	-	212.013
Investments	(d)	271.046.913	32.647.440	303.694.353	218.923.990	62.847.344	281.771.334
Total non-current assets		459.764.775	(139.855.393)	319.909.382	303.036.302	(13.808.284)	289.228.018
Total assets		**569.657.678**	**33.118.279**	**602.775.957**	**473.421.152**	**62.814.196**	**536.235.348**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

AS TO DECEMBER 31, 2012 PRESENTED COMPARATIVELY

(figures expressed in Argentine pesos)

Note 5. Adoption of International Financial Reporting Standards, reconciliation (continued)

5.1. Balance sheet reconciliations of individual financial statements to IFRS as to December 31, 2011 and 2010 (continued)

Following is a summary of the causes of the main effects generated by the adoption of IFRS in relation to balance sheets as to December 31, 2011 and 2010:

Ref.	Detail
(a)	Current investments (classified as such according to GAAP in effect as of that date) were reclassified as cash equivalents as provided for in IAS 7.
(b)	As to December 31 2011 and 2010, the most significant effect of the application of IFRS is due to the incorporation here of “Advance payments to suppliers” (previously classified under “Inventory” according to GAAP) and to the separate classification of “Current taxes” and “Deferred taxes” (classified here according to GAAP) and the classification under a separate entry as “Outstanding sums with related parties”.
©	IAS 1 provides that the inventory is part of current assets since it is consumed in a business cycle. Thus, inventory is shown in current assets under IFRS. Additionally, and as mentioned in point (b), advance payments to suppliers 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 inventory at their net realization value (on the basis of percentage completion and sales) was written off, as well as certain triggered expenses that must be debited to the income for the period under IFRS. Moreover, Showroom items were reclassified as Property, Plant, and Equipment (PP&E).
(d)	Business combinations prior to December 31, 2010, were recalculated to yield new goodwill (Capital Gain). As required under IAS 36, the recoverability tests were performed, and no deterioration arose that would have to be included in the calculation of cash-generating units (CGU) that include recognized capital gains.

(figures expressed in Argentine pesos)

Note 5. Adoption of International Financial Reporting Standards, reconciliation (continued)

5.1. Balance sheet reconciliations of individual financial statements to IFRS as at December 31, 2011 and 2010 (continued)

	Ref.	As to December 31, 2011			As to December 31, 2010		
		Argentine GAAP (prior)	Transition effect	IFRS	Argentine GAAP (prior)	Transition effect	IFRS
LIABILITIES							
Current Liabilities							
Trade debts		4.749.700	(59.577)	4.690.123	1.979.198	(133.118)	1.846.080
Loans	(g)	18.571.154	(6.673.816)	11.897.338	-	-	-
Wages and social security contributions		2.335.976	(229.664)	2.106.312	773.477	6.852	780.329
Current tax liabilities		-	770.652	770.652	-	2.294.179	2.294.179
Taxes payable		1.383.524	(770.652)	612.872	2.645.976	(2.294.179)	351.797
Debts with related parties	(g)	-	102.430.058	102.430.058	-	32.471.011	32.471.011
Advanced Payments of clients		-	15.376.667	15.376.667	407	(407)	-
Other liabilities	(g)	24.569.744	(6.424.607)	18.145.137	-	-	-
Total current liabilities		51.610.098	104.419.061	156.029.159	5.399.058	32.344.338	37.743.396
Non-current liabilities							
Trade debts	(e)	42.325.662	(42.325.662)	-	-	-	-
Deferred tax liabilities	(f)	-	1.323.141	1.323.141	-	-	-
Advanced Payments of clients	(e)	62.390.284	(62.390.284)	-	32.377.486	(32.377.486)	-
Total non-current liabilities		104.715.946	(103.392.805)	1.323.141	32.377.486	(32.377.486)	-
Total liabilities		**156.326.044**	**1.026.256**	**157.352.300**	**37.776.544**	**(33.148)**	**37.743.396**
Third parties' interest in controlled companies							
SHAREHOLDERS' EQUITY		**413.331.634**	**32.092.023**	**445.423.657**	**435.644.608**	**62.847.344**	**498.491.952**
Total liabilities, third parties' interests in controlled companies and shareholders' equity		**569.657.678**	**33.118.279**	**602.775.957**	**473.421.152**	**62.814.196**	**536.235.348**

Ref.	Detail
(e)	As provided in paragraph 70 of IAS 1, the Company has reclassified accounts payable and clients' advanced payments from non-current to current entries, since they are part of the Company operating business cycle (See also h).
(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 and Minimum Presumed Income Tax. In relation to Deferred Tax Liabilities, these are tax effects resulting from calculating business combinations under IFRS. También se reclasificó como un rubro separado los saldos con parte relacionadas.
(g)	The outstanding sums with related parties are shown under a separate entry.

(figures expressed in Argentine pesos)

Note 5. Adoption of International Financial Reporting Standards, reconciliation (continued)

5.2. Reconciliation of statement of evolution of shareholders' equity to IFRS as to December 31, 2011 and 2010

	As to December 31, 2011			As to December 31, 2010		
SHAREHOLDER'S EQUITY	Argentine GAAP (prior)	Transition effect	IFRS	Argentine GAAP (prior)	Transition effect	IFRS
Share capital	70.349.485	-	70.349.485	70.349.485	-	70.349.485
Additional paid-in capital	378.208.774	-	378.208.774	378.208.774	-	378.208.774
Reserve controlled companies	6.338.982	(6.338.982)	-	6.972.811	(6.972.811)	-
Statutory reserve	4.000	-	4.000	4.000	-	4.000
Transactions between shareholders	-	(7.826.480)	(7.826.480)	-	-	-
Retained earnings	(41.569.607)	46.257.485	4.687.878	(19.890.462)	69.820.155	49.929.693
Total shareholders' equity attributable to Company	413.331.634	32.092.023	445.423.657	435.644.608	62.847.344	498.491.952
Non-controlling interests	-	-	-	-	-	-
Total shareholders' equity	**413.331.634**	**32.092.023**	**445.423.657**	**435.644.608**	**62.847.344**	**498.491.952**

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(figures expressed in Argentine pesos)

Note 5. Adoption of International Financial Reporting Standards, reconciliation (continued)

5.3. Reconciliation of the statement of income as to December 31, 2011

		As to December 31, 2011		
		Argentine GAAP (prior)	Transition effect	IFRS
Income		9.170.564	-	9.170.564
Cost of services rendered		(10.717.673)	-	(10.717.673)
Gross income		**(1.547.109)**		(1.547.109)
Income for valuation of inventory at net realization value	(1)	536.869	(536.869)	-
Sales expenses	(2)	(4.234.481)	(206.453)	(4.440.934)
Administrative expenses		(9.406.508)	-	(9.406.508)
Operating income		**(14.651.229)**	**(743.322)**	(15.394.551)
Long-term investment results	(3)	(17.087.053)	(21.489.916)	(38.576.969)
Other expenses		(62.862)	-	(62.862)
Net Financial and holding income		6.488.414	-	6.488.414
Other net income and expenses		2.743.113	(1.517.336)	1.225.777
Income for the fiscal year before Income Tax		**(22.569.617)**	**(23.750.574)**	(46.320.191)
Income Tax		890.472	187.904	1.078.376
Income for the fiscal year		**(21.679.145)**	**(23.562.670)**	**(45.241.815)**

Ref.	Detail
(1)	The result of inventory valuation at net realization value ratably to percentage of work completion recognized under valid General Accepted Accounting Principles 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 General Accepted Accounting Principles had been triggered in inventory cost.
(3)	IFRS does not allow for calculation of goodwill amortization.

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Note 5. Adoption of International Financial Reporting Standards, reconciliation (continued)

Governing Standards

In the preparation of the reconciliations included in this Note, the Company Management has considered the same IFRS that will be applicable to the preparation of the first annual financial statements presented in accordance with the IFRS, for the year ending on December 31, 2012. However, the items and amounts included in these reconciliations may be modified to the extent that, when the annual financial statements are prepared in accordance with IFRS, new standards should be issued or the existing ones should be modified, applied on a mandatory or anticipated authorized fashion as to such date, or if a change to any of the exemptions indicated in IFRS 1 is opted for.

Accordingly, the condensed consolidated interim financial statements enclosed, the items and figures contained in the reconciliations between those standards are subject to changes and may only be deemed final when the annual financial statements for 2012 are prepared.

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

Note 6. Cash and cash equivalents

6.1. Structure of Cash and cash equivalents

	Notes	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
Cash				
In the national legal tender:		9.057	6.001	5.670
In foreign currency:	45	-	3.846	3.633
Banks				
In the national legal tender:		224.319	43.601	63.832
In foreign currency:	45	4.722.896	230.934	157.809.124
Funds to be deposited		150.040	-	210.248
Time deposits		3.624.200	-	6.220.399
Mutual funds in local currency:		1.530.094	-	-
Mutual funds in local currency:	45	23.080.354	56.704.973	-
Commercial papers	45	7.101.148	7.992.442	-
Total Cash and cash equivalents		40.442.108	64.981.797	164.312.906

Time deposits in local currency are funds placed with HSBC Bank Argentina S.A., Banco Macro and Banco Industrial, which accrue an average annual interest of 15.60 %.

Mutual funds in local currency: a) as to December 31, 2012, there are funds placed abroad, without any maturity, with a par value of ARS 1,419,096, with a period-end market value of ARS 2.11.

Mutual funds in foreign currency: a) as to December 31, 2012, there are mutual funds placed abroad, without maturity, for an initial cost of USD 357,382, with a period-end market value of USD 20.8; as to December 31, 2011, there are funds placed abroad, without maturity, for an initial cost of USD 13,315,728, with a period-end market value of USD 0.99.

(figures expressed in Argentine pesos)

Note 6. Cash and cash equivalents (continued)

6.1. Structure of Cash and cash equivalents (continued)

Commercial Papers in foreign currency are a portfolio of unsecured notes issued by large foreign (US) banks and corporation. a) As to December 31, 2012, there are deposits in JP MORGAN, with a par value of USD 1,480,800, with a period-end market value of USD 0.9705; b) As to December 31, 2011, there are deposits in BNP PARIBAS US, with a par value of USD 2,000,000, with a period-end market value of USD 0.9372.

6.2. Information about non-monetary transactions

As to December 31, 2010 the Company had drafted bank checks for an amount of ARS 1,200,000 (included under Other Receivables) as an ad referendum reserve of an asset on which the Company was carrying out a due diligence or audit process. The checks were in possession of a notary public acting as guardian and then they were considered as advanced payment for the purchase of that asset.

Note 7. Trade receivables

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Intercompany balances in foreign currency	45	362.353	316.743	-
Total Trade receivables		362.353	316.743	-

The trade receivables mentioned above are measured at amortized cost. The Company has not recognised any allowance for uncollectable debts after conducting an individual recoverability analysis of the receivables portfolio.

The age of accounts receivable is as follows:

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Past-due			
0 to 90 days	-	282.977	-
91 to 180 days	-	12.906	-
Over 181 days	362.353	20.860	-
Total	362.353	316.743	-

(figures expressed in Argentine pesos)

Note 8. Other receivables

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Current:				
Added value tax		2.624.024	2.730.581	1.437.628
Gross Income Tax		3.656.795	53.794	160.163
Deposits as collateral		-	-	1.200.000
Intercompany balances in national currency		35.278	13.495	3.571
Intercompany balances in foreign currency	45	450.834	384.003	241.343
Advance payments to suppliers		-	7.366	108.461
Advance payments to statutory auditors		15.700	-	-
Expenses to be accounted for in local currency		161.663	-	-
Expenses to be accounted for in foreign currency	45	-	2.558	3.761
Other tax credits		-	-	47.702
Refundable expenses		213.879	71.895	-
Advance payments to work suppliers		8.430.552	12.774.542	-
Advance payments to suppliers on inventory purchases	45	25.022.706	22.078.255	58.237
Bad checks receivable		18.200	-	-
Sundry in local currency		286.315	197.073	1.600
Sundry in foreign currency	45	-	42.640	-
Total other receivables – Current		40.915.946	38.356.202	3.262.466

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Non-current:				
Deposits as collateral in local currency		21.100	21.100	-
Deposits as collateral in foreign currency	45	219.510	191.880	110.209
Insurance to be accrued in foreign currency	45	63.015	114.715	-
Total other receivables – Non-current		303.625	327.695	110.209

Note 9. Inventories

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
"Astor Palermo" urban real estate project	114.669.717	79.533.353	76.886.003
"Astor Caballito" urban real estate project	77.969.187	58.884.406	-
"FACA" urban real estate project	24.245.764	-	-
Total Inventories	216.884.668	138.417.759	76.886.003

(figures expressed in Argentine pesos)

Note 10. Property, plant and equipment

	Chattels and supplies	Hardware	Leasehold improvements	Showroom	Total
Original value					
Balance as to January 1, 2012	449.108	441.771	727.661	508.106	**2.126.646**
Acquisitions	54.436	386.932	23.620	3.601.437	**4.066.425**
Decreases	-	-	-	-	**-**
Total as to December 31, 2012	503.544	828.703	751.281	4.109.543	**6.193.071**
Depreciation and impairment					
Balance as to January 1, 2012	(126.182)	(263.265)	(411.033)	-	**(800.480)**
Depreciations	(50.355)	(240.891)	(166.188)	(797.205)	**(1.254.639)**
Loss due to impairment	-	-	-	-	**-**
Total as to December 31, 2012	(176.537)	(504.156)	(577.221)	(797.205)	**(2.055.119)**
Residual value as to December 31, 2012	327.007	324.547	174.060	3.312.338	**4.137.952**

	Chattels and supplies	Hardware	Leasehold improvements	Showroom	Total
Original value					
Balance as to January 1, 2011	282.025	241.936	252.719	-	**776.680**
Acquisitions	167.083	199.835	474.942	508.106	**1.349.966**
Decreases	-	-	-	-	**-**
Total as to December 31, 2011	449.108	441.771	727.661	508.106	**2.126.646**
Depreciation and impairment					
Balance as to January 1, 2011	(81.272)	(140.191)	(249.487)	-	**(470.950)**
Depreciations	(44.910)	(123.074)	(161.546)	-	**(329.530)**
Loss due to impairment	-	-	-	-	**-**
Total as to December 31, 2011	(126.182)	(263.265)	(411.033)	-	**(800.480)**
Residual value as to December 31, 2011	322.926	178.506	316.628	508.106	**1.326.166**

	Chattels and supplies	Hardware	Leasehold improvements	Showroom	Total
Original value					
Balance as to January 1, 2010	232.918	106.088	252.719	-	**591.725**
Acquisitions	49.107	135.848	-	-	**184.955**
Decreases	-	-	-	-	**-**
Balance as to December 31, 2010	282.025	241.936	252.719	-	**776.680**
Depreciation and impairment					
Balance as to January 1, 2010	(53.070)	(73.374)	(165.247)	-	**(291.691)**
Depreciations	(28.202)	(66.817)	(84.240)	-	**(179.259)**
Loss due to impairment	-	-	-	-	**-**
Balance as to December 31, 2010	(81.272)	(140.191)	(249.487)	-	**(470.950)**
Residual value as to December 31, 2010	200.753	101.745	3.232	-	**305.730**

(figures expressed in Argentine pesos)

Note 11. Intangible assets

Intangible assets represent trademarks, software and software development. Its progress is showed below:

	Software	Software development	Trademarks	**Total**
Original value				
Balance as to January 1, 2012	184.353	651.531	15.071	**850.955**
Acquisitions	26.572	538.059	-	**564,.31**
Decreases	-	-	-	**-**
Total as to December 31, 2012	210.925	1.189.590	15.071	**1.415.586**
Amortization and impairment				
Balance as to January 1, 2012	(116.824)	-	(2.626)	**(119.450)**
Amortizations	(70.308)	(456.779)	(1.411)	**(528.498)**
Loss due to impairment	-	-	-	**-**
Total as to December 31, 2012	(187.132)	(456.779)	(4.037)	**(647.948)**
Residual value as to December 31, 2012	23.793	732.811	11.034	**767.638**

	Software	Software development	Trademarks	**Total**
Original value				
Balance as to January 1, 2011	166.118	98.973	3.510	**268.601**
Acquisitions	18.235	552.558	11.561	**582.354**
Decreases	-	-	-	**-**
Total as to December 31, 2011	184.353	651.531	15.071	**850.955**
Amortization and impairment				
Balance as to January 1, 2011	(55.373)	-	(1.215)	**(56.588)**
Amortizations	(61.451)	-	(1.411)	**(62.862)**
Loss due to impairment	-	-	-	**-**
Total as to December 31, 2011	(116.824)	-	(2.626)	**(119.450)**
Residual value as to December 31, 2011	67.529	651.531	12.445	**731.505**

	Software	Software development	Trademarks	**Total**
Original value				
Balance as to January 1, 2010	-	110.973	960	**111.933**
Acquisitions	166.118	-	2.550	**168.668**
Decreases	-	(12.000)	-	**(12.000)**
Balance as to December 31, 2010	166.118	98.973	3.510	**268.601**
Amortization and impairment				
Balance as to January 1, 2010	-	-	(960)	**(960)**
Amortizations	(55.373)	-	(255)	**(55.628)**
Loss due to impairment	-	-	-	**-**
Balance as to December 31, 2010	(55.373)	-	(1.215)	**(56.588)**

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Residual value as to December 31, 2010	110.745	98.973	2.295	**212.013**

Note 12. Tax assets

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Income Tax	-	-	230.375
Assumed minimum income tax	9.184.999	6.130.694	2.892.379
Tax loss – local source	18.384.194	6.075.337	3.681.321
Tax loss – foreign source	32.158	32.158	24.657
Total Tax assets	27.601.351	12.238.189	6.828.732

Local- and foreign – source tax losses accumulated as to December 31, 2012, 2011 and 2010, may be used under the following dates:

	Pesos		
Year	2012	2011	2010
2013	358.794	358.794	358.794
2015	3.347.184	3.347.184	3.347.184
2016	2.401.517	2.401.517	-
2017	12.308.857	-	-
Total	18.416.352	6.107.495	3.705.978

Note 13. Long-term investments

	Notes	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
Canfot S.A.				
Investments	14	4.787.866	16.153.422	44.007.773
Implied capital gain	15	79.399.207	79.399.207	79.399.207
		84.187.073	95.552.629	123.406.980
Maltería del Puerto S.A.				
Investments	14	37.276.070	39.944.416	56.039.384
Implied capital gain	15	32.095.394	32.095.394	32.095.394
Capital gain impairment		(32.095.394)	-	-
		37.276.070	72.039.810	88.134.778
Marina Río Luján S.A.				
Investments	14	44.661.601	47.227.232	48.742.164
Implied capital gain	15	21.487.412	21.487.412	21.487.412
		66.149.013	68.714.644	70.229.576
Pico y Cabildo S.A.				
Investments	14	56.342.505	56.828.285	-
Implied capital gain	15	10.558.985	10.558.985	-
		66.901.490	67.387.270	-
TGLT Uruguay S.A.				

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AS TO DECEMBER 31, 2012 PRESENTED COMPARATIVELY

(figures expressed in Argentine pesos)

Investments	6.434.707	-	-
	6.434.707	-	-
Total long-term investments	260.948.353	303.694.353	281.771.334

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TGLT

TGLT S.A.

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

AS TO DECEMBER 31, 2012 PRESENTED COMPARATIVELY

(figures expressed in Argentine pesos)

Note 14. Information on controlled companies

					Information on issuer						
					As per most recent financial statement issued (1)						
Name of issuer and characteristics of the securities	**Par value**	**Value recorded as to Dec 31, 2012**	**Value recorded as to Dec 31, 2011**	**Value recorded as to Dec 31, 2010**	**Main line of business**	**Domicile**	**Closing date**	**Share capital**	**Income for the period**	**Shareholders' equity**	**Percentage interest**
Canfot S.A.	ARS 1 of 1 vote each	4.787.866	16.153.422	44.007.773	Construction and sale of any type of real estate	Av. S. Ortíz 3333 – 1st Floor – Buenos Aires - Argentina	31/12/2012	48.238.100	839.283	62.479.834	90,91%
Maltería del Puerto S.A.	ARS 100 of 1 vote each	37.276.070	39.944.416	56.039.384	Construction and sale of any type of real estate	Av. S. Ortíz 3333 - 1st Floor - Buenos Aires - Argentina	31/12/2012	66.340.003	(62.410.750)	32.167.550	90,00%
Marina Río Lujan S.A.	ARS 100 of 1 vote each	44.661.601	56.828.285	48.742.164	Construction and sale of any type of real estate	Ing. Enrique Butty 220 – 11th Floor - Apt. A - Buenos Aires Argentina	31/12/2012	22.076.200	(5.018.329)	11.800.309	49,99%
Pico y Cabildo S.A.	ARS 100 of 1 vote each	56.342.505	47.813.925	-	Construction and sale of any type of real estate	Av. S. Ortíz 3333 - Piso 1° - Buenos Aires - Argentina	31/12/2012	13.474.239	(373.195)	8.856.865	97,00%
Birzey Internacional S.A (2)	UYU of 1 vote each	6.434.707	(26.141)	-	Investor	Plaza Independencia 811 P.B. – Montevideo – Uruguay	31/12/2012	10.741.236	(3.680.355)	6.477.138	100,00%
Totales		149.502.749	160.213.907	148.789.321							

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(1) Information as per financial statements prepared without considering Technical Resolution No. 26.

(2) Shown in “Other accounts payable” in current liabilities.

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Note 15. Capital gain

	María Río Lujan S.A.	Maltería del Puerto S.A.	Pico y Cabildo S.A.	Canfot S.A.	**Total**
Original value					
Balance as to January 1, 2012	21.487.412	32.095.394	10.558.985	79.399.207	**143.540.998**
Acquisitions	-	-	-	-	-
Decreases	-	-	-	-	-
Total as to December 31, 2012	21.487.412	32.095.394	10.558.985	79.399.207	**143.540.998**
Impairment					
Balance as to January 1, 2012	-	-	-	-	-
Loss due to impairment	-	(32.095.394)	-	-	**(32.095.394)**
Total as to December 31, 2012	-	(32.095.394)	-	-	**(32.095.394)**
Residual value as to December 31, 2012	21.487.412	-	10.558.985	79.399.207	**111.445.604**

	María Río Lujan S.A.	Maltería del Puerto S.A.	Pico y Cabildo S.A.	Canfot S.A.	**Total**
Original value					
Balance as to January 1, 2011	21.487.412	32.095.394	-	79.399.207	**132.982.013**
Acquisitions	-	-	10.558.985	-	**10.558.985**
Decreases	-	-	-	-	-
Total as to December 31, 2011	21.487.412	32.095.394	10.558.985	79.399.207	**143.540.998**
Impairment					
Balance as to January 1, 2011	-	-	-	-	-
Loss due to impairment	-	-	-	-	-
Total as to December 31, 2011	-	-	-	-	-
Residual value as to December 31, 2011	21.487.412	32.095.394	10.558.985	79.399.207	**143.540.998**

	María Río Lujan S.A.	Maltería del Puerto S.A.	Pico y Cabildo S.A	Canfot S.A.	**Total**
Original value					
Balance as to January 1, 2010	21.487.412	32.095.394	-	79.399.207	**132.982.013**
Acquisitions	-	-	-	-	-
Decreases	-	-	-	-	-
Balance as to December 31, 2010	21.487.412	32.095.394	-	79.399.207	**132.982.013**
Impairment	-	-	-	-	-
Balance as to January 1, 2010	-	-	-	-	-
Loss due to impairment	-	-	-	-	-
Total as to December 31, 2010					
Residual value as to December 31, 2010	21.487.412	32.095.394	-	79.399.207	**132.982.013**

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Note 16. Trade debts

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Suppliers in local currency		1.185.362	1.000.149	266.355
Suppliers in foreign currency	45	1.087.641	-	424.446
Provision for expenditure in local currency		1.094.395	454.869	78.808
Provision for expenditure in foreign currency	45	-	606.392	61.729
Provision for works in local currency		3.263.937	1.056.797	-
Provision for works in foreign currency	45	-	928.050	-
Deferred checks		1.100.081	150.673	766.236
Insurance policies payable in national currency		32.796	9.683	1.179
Insurance policies payable in foreign currency	45	360.741	382.748	244.403
Contingency fund		497.212	100.762	-
Sundry		-	-	2.924
Total Trade debts		**8.622.165**	4.690.123	1.846.080

Note 17. Loans

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Current				
Loans received in foreign currency	45	-	4.385.955	-
Current account advances		8.683.861	7.511.383	-
Corporate notes in local currency		6.978.126	-	-
Corporate notes in foreign currency	45	11.062.442	-	-
Subtotal current loans		**26.724.429**	11.897.338	-
Non-current				
Corporate notes in local currency		12.752.431	-	-
Corporate notes in foreign currency	45	30.971.721	-	-
Subtotal non-current loans		43.724.152	-	-
Total Loans		**70.448.581**	11.897.338	-

Following is a description of activity in loans and financing arrangements:

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Opening balance	11.897.338	-	-
New loans and financing arrangements	58.888.356	5.145.045	-
Interest	1.108.028	425.956	-
Effects of exchange rate variation	4.004.932	482.577	-
Current account advances	1.172.478	7.511.383	-
Principal payments	(6.768)	-	-
Interest payments	(147.815)	(1.379.159)	-
Sundry payments	(6.467.968)	(288.464)	-
Closing balance	**70.448.581**	11.897.338	-

(figures expressed in Argentine pesos)

Note 18. Employees' benefits

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Wages payable	918.637	782.108	-
Social Security payables	874.217	650.122	213.994
Provision for vacations	840.159	631.534	387.223
Federal Tax Payment Plan	-	272.212	172.260
Provision for Board of Directors' fees	76.239	67.220	40.000
Minus:			
Staff advances	(254.144)	(296.884)	(33.148)
Total Employees' benefits	**2.455.108**	2.106.312	780.329

Note 19. Current tax liabilities

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Assumed minimum income tax	1.270.429	770.652	2.294.179
Total Current tax liabilities	**1.270.429**	770.652	2.294.179

Note 20. Other taxes payable

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Withholdings and earnings to be deposited	319.717	423.837	183.981
Federal Tax Payment Plan	-	-	164.807
Tax on personal property	1.229.335	-	-
Gross Income Tax	65.143	103.318	3.009
Stamp Tax	-	85.717	-
Total Other tax burdens	**1.614.195**	612.872	351.797

Note 21. Advanced Payments of clients

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Early collections in local currency		48.178.188	164.828	-
Early collections in foreign currency	45	30.012.221	16.371.392	-
Minus:				
Added value tax		(6.716.351)	(1.159.553)	-
Total Advanced Payments of clients		**71.474.058**	15.376.667	-

Signed for identification purposes
with our limited revision report dated on March 8, 2013
Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 1 Page 68

By Supervisory Committee

Ignacio Fabián Gajst
Statutory Auditor

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 245 Page 74

Federico Nicolás Weil
President

(figures expressed in Argentine pesos)

Note 22. Other accounts payable

	Notes	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Debt on purchase of stocks in foreign currency	45	-	18.145.137	-
Total Other accounts payable		-	18.145.137	-

Note 23. Deferred Tax Liabilities

		Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Deferred Tax	31	1.426.702	1.323.141	-
Total Deferred tax liabilities		**1.426.702**	1.323.141	-

Note 24. Share capital and issuance premium

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Share paid-in capital	70.349.485	70.349.485	70.349.485
Issuance Premium	378.208.774	378.208.774	378.208.774
Additional paid-in capital	21.807.276	5.923.463	-
Total share capital	**470.365.535**	454.481.722	448.558.259

Issued share capital consists of:

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Ordinary fully paid-up shares	70.349.485	70.349.485	70.349.485
Total ordinary fully paid-up shares	**70.349.485**	70.349.485	70.349.485

As to December 31, 2012, the issued share capital subscribed for and paid up of the Company amounts to ARS ARS70,349,485. As to such date the share capital registered with the registry of business organizations for the City of Buenos Aires amounts to ARS 22,350,000.

As to December 31, 2011 and 2010, the issued share capital subscribed for and paid up of the Company was ARS 70,349,485. As to such date the share capital registered with the registry of business organizations for the City of Buenos Aires was ARS 22,350,000.

On November 4, 2010, the Board of Directors of the Company, in exercise of the powers delegated by shareholders at the Shareholders' Meeting held on October 30, 2009, decided to establish the amount of the capital increase in the sum of ARS 47,990,485, by issuing 47,990,485 book-entry ordinary shares, at a par value of 1 peso each and entitled to one vote per share. Therefore, in December 31, 2010, the issued share capital subscribed for and paid up of the Company was ARS ARS 70,349,485. As to such date the share capital registered with the registry of business organizations for the City of Buenos Aires was ARS 22,350,000.

(figures expressed in Argentine pesos)

Note 24. Share capital and issuance premium (continued)

As to December 31, 2012, 2011 and 2010, the Company capital is distributed as follows:

	Dec 31, 2012		Dec 31, 2011		Dec 31, 2010	
Shareholders	Shares	Interest	Shares	Interest	Shares	Interest
Federico Nicolás Weil	13.549.889	19 %	13.549.889	19 %	15.645.000	22%
PDG Realty S.A. Empreendimentos e Participações	19.121.667	27 %	19.121.667	27 %	19.121.667	27%
Holders of US certificates of deposit representing ordinary shares	14.550.435	21 %	17.548.905	25 %	16.005.710	23%
Holders of Brazilian certificates of deposit representing ordinary shares	2.960.510	4%	-	-	-	-
Other holders of ordinary shares	20.166.984	29 %	20.129.024	29 %	19.577.108	28%
Total Share Capital	70.349.485	100 %	70.349.485	100 %	70.349.485	100%

Note 25. Reserves, accumulated earnings and dividends

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Reserves			
Statutory reserve	4.000	4.000	4.000
Individual shareholders' transactions	(13.749.943)	(13.749.943)	-
Special reserve	46.257.485	46.257.485	69.820.155
Net investment exchange rate difference abroad	(505.907)	-	-
Total reserves	32.005.635	32.511.542	69.824.155

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Accumulated earnings			
Opening balances	(41.569.607)	(19.890.462)	
Total comprehensive income for the period / year	(142.481.430)	(21.679.145)	
Increase in statutory reserve	-	-	
Closing balance	(184.051.037)	(41.569.607)	(19.890.462)

Dividend Policy

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

The Company does not have or 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 to enable value generation for its shareholders.

According to the Bylaws and the Business Organizations Act, the Company may declare dividends once or more, within any business year, and even pay anticipated dividends, pursuant to Section 224 (ii) of said Law, out of the realized net earnings as shown in the consolidated balance sheet of the Company, prepared in accordance with Argentine GAAPs and the Regulations of the Argentine Securities and Exchange Commission as to the last day of that business year, or in special consolidated balance sheets in case of anticipated or interim dividends, providing that such dividend must be paid ratably to all of the holders of ordinary shares of the Company as at the pertinent record date.

All capital shares of the company rank pari passu in terms of dividend payments.

(figures expressed in Argentine pesos)

Note 26. Cost of rendered services

	Dec 31, 2012	Dec 31,2011
Wages and social security contributions	6.783.963	9.088.081
Other payroll expenses	-	299.168
Rent and utilities	1.108.352	751.580
Transport and per diem	580.680	246.072
IT and services expenses	819.139	332.772
Total Cost of rendered services	9.292.134	10.717.673

Note 27. Commercialization Expenses

	Dec31, 2012	Dec31,2011
Wages and social security contributions	3.939.075	1.991.344
Other payroll expenses	-	65.552
Rent and utilities	242.452	164.683
Professional fees	2.001.245	512.589
Taxes, duties and assessments	1.548.732	580.190
Impairment of fixed assets	797.205	-
Transport and per diem	127.024	53.918
IT and services expenses	179.187	72.916
Insurance	-	92.906
Representation expenses	2.310	3.853
Advertising expenses	2.928.856	334.220
Fees	3.806	-
Other commercialization expenses	-	206.453
Overhead	-	362.310
Total commercialization expenses	11.769.892	4.440.934

Note 28. Administrative Expenses

	Dec31, 2012	Dec31,2011
Wages and social security contributions	11.160.713	3.028.477
Other payroll expenses	55.433	99.694
Rent and utilities	380.996	250.454
Professional fees	1.991.909	2.757.392
Directors' fees	151.430	180.000
Statutory auditing committee fees	97.200	86.000
IPO expenses	405.146	1.275.884
Taxes, duties and assessments	227.144	137.138
Transport and per diem	199.609	82.000
IT and services expenses	281.579	110.892
Office expenses	737.613	341.965
Insurance	692.398	453.598
Impairment of fixed assets	457.434	329.530
Donations	142.600	40.375
Overhead	166.347	233.109

Total administrative expenses	17.147.548	9.406.508

(figures expressed in Argentine pesos)

Note 29. Financial Results

	Dec 31, 2012	Dec 31,2011
Exchange difference		
Income from exchange differences	14.346.156	12.263.305
Cost from exchange differences	(25.658.555)	(9.438.883)
Total Exchange difference	**(11.312.399)**	**2.824.422**
Financial income		
Interests	3.982.299	2.632.599
Result from short-term investments	7.652.606	2.215.334
Total Financial income	**11.634.905**	**4.847.933**
Financial costs		
Interests	(3.506.576)	(649.051)
Total Financial Costs	**(3.506.576)**	**(649.051)**
Other financial costs		
Sundry	-	589.826
Banking expenses	(283.208)	(149.950)
Tax on bank debits and credits	(1.553.438)	(974.766)
Total Other financial costs	(1.836.646)	**(534.890)**

As to December 31, 2012 and 2011 the total financial cost amounted to ARS 29,165,131 and ARS 10,087,934 respectively.

Note 30. Other receivables and expenses

	Dec 31, 2012	Dec 31,2011
Other income		
Expenses recovered	-	1.225.777
Other expenses		
Debt relief	(2.684.478)	-
Total other receivables and expenses	(2.684.478)	1.225.777

(figures expressed in Argentine pesos)

Note 31. Income Tax and Deferred Tax

The structure of “Income tax” determined in accordance with IAS 12, which is shown in the statement of income as to December 31, 2012 and 2011 is as follows:

	Dec 31, 2012	Dec 31, 2011
Income Tax	12.407.721	2.401.517
Deferred tax arising form temporary differences	(202.426)	(1.323.141)
Total Income Tax	12.205.295	1.078.376

Deferred Tax as to the close of the period/year has been determined on the basis of the temporary difference between accounting and tax-related calculations. The structure of assets and liabilities for deferred Tax as to the close of each period is as follows:

(Liabilities) Assets from Deferred tax	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
Valuation of short-term investments	(1.224.603)	(1.251.326)	-
Foreign currency valuation	-	(71.815)	-
Financial Costs	(335.605)	-	-
Property, plant and equipment	133.506	-	-
Balance at close of period / year	(1.426.702)	(1.323.141)	-

Following is a description of the reconciliation between Income Tax charged to results and such as would result from applying the relevant tax rate to the accounting result before taxes:

	Dec 31, 2012	Dec 31, 2011
Income Tax calculated at the current rate on the accounting result before taxes	54.140.354	16.212.098
Permanent differences	(41.935.059)	(15.133.722)
Income Tax	12.205.295	1.078.376

Note 32. Leases

The Company has entered into operating leases regarding the lease of the Company administrative and commercial offices. Payments effected under these operating leases are recognized as expenses when accrued. The leases signed do not contain any contingent rent clauses or purchase options, or other restraints.

Following is the most relevant information on these leases:

The company has entered into two operating leases for the offices located on the 1st and 3rd floors of the building located on Avenida Scalabrini Ortiz 3333 in the City of Buenos Aires on May 21, 2008, and their renewal on May 18, 2011 and March 3rd 2011, respectively. Directive, Management and Marketing activities are conducted in those offices.

Besides, on April 8th, 2011, the Company entered into a lease on an office located in a property on Beruti Street in the City of Buenos Aires, where commercialization activities are being conducted in relation to the “Astor Palermo” real estate project.

(figures expressed in Argentine pesos)

Note 32. Leases (continued)

	Payments due under the operating leases		
	In 1 year	In 1 to 5 years	In over 5 years
	ARS	ARS	ARS
December 31, 2012	380.043	1.738.011	-
December 31, 2011	1.157.898	1.738.011	-
December 31, 2010	981.012	2.895.909	-

Note 33. Related Parties

a) The Balances outstanding with Companies as per section No. 33 – Law No. 19550 and other related parties are as follows:

TRADE RECEIVABLES	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
In the national legal tender			
Canfot S.A.	290.400	-	-
Marina Río Luján S.R.L.	38.858	-	-
Maltería del Puerto S.A.	799.181	-	-
AGL S.A.	1.315.000	-	-
	2.443.439	-	-
In foreign currency			
Canfot S.A.	-	-	268.722
Marina Río Luján S.R.L.	-	157.361	-
Maltería del Puerto S.A.	2.314.661	658.177	1.143.418
	2.314.661	815.538	1.412.140
OTHER RECEIVABLES			
Current			
In the national legal tender			
Individual shareholder	2.374.617	747.227	248.210
Other shareholders	1.662.937	909.086	-
PDG Realty S.A. Empreendimentos e Participações	1.229.620	667.882	75.820
Maltería del Puerto S.A.	19.788.888	150.350	20.860
Canfot S.A.	-	1.612.741	-
Pico y Cabildo S.A.	16.140	16.140	-
TGLT Uruguay S.A.	41.523	-	-
Directors	71.700		
	25.185.425	4.103.426	344.890
In foreign currency			
Marina Río Luján S.A.	1.768.385	5.576.973	788.925
Alto Palermo S.A.	-	2.480.737	-
Maltería del Puerto S.A.	-	27.001.330	-
TGLT Uruguay S.A.	2.554.479	21.746	-
FDB S.A.	-	794.324	-
	4.322.864	35.875.110	788.925
Total Credits with related parties – Current	**34.266.389**	**40.794.074**	**2.545.955**

(figures expressed in Argentine pesos)

Note 33. Related Parties (continued)

a) The Balances outstanding with Companies as per section No. 33 – Law No. 19550 and other related parties are as follows (continued):

OTHER RECEIVABLES (continued)	**Dec 31, 2012**	Dec 31, 2011	Dec 31, 2010
Non-current			
In foreign currency			
Maltería del Puerto S.A.	1.820.640	1.591.474	-
TGLT Uruguay S.A.	2.463.390	-	-
Total Credits with related parties - No Corrientes	**4.284.030**	**1.591.474**	**-**
TRADE DEBTS			
In the national legal tender			
Canfot S.A.	79.929	79.929	79.929
Maltería del Puerto S.A.	13.189	13.189	13.189
	93.118	93.118	93.118
In foreign currency			
IRSA Inversiones y Representaciones S.A.	26.711.763	42.224.900	
	26.711.763	42.224.900	-
LOANS			
In foreign currency			
Pico y Cabildo S.A.	13.842.353	6.673.816	-
	13.842.353	6.673.816	-
ADVANCED PAYMENTS OF CLIENTS			
In foreign currency			
Alto Palermo S.A.	69.007.438	35.048.466	32.377.486
IRSA Inversiones y Representaciones S.A.	45.467.624	11.965.151	-
Marina Río Luján S.A.	-	-	407
	114.475.062	47.013.617	32.377.893
OTHER ACCOUNTS PAYABLE			
Maltería del Puerto S.A.	-	6.257.790	-
Canfot S.A.	160.746	140.676	-
TGLT Uruguay S.A. (1)	-	26.141	-
	160.746	6.424.607	-
Total Outstanding sums with related parties	**155.283.042**	**102.430.058**	**32.471.011**

(1) Long-term interest of TGLT S.A. in said company.

Signed for identification purposes
with our limited revision report dated on March 8, 2013
Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 1 Page 68

By Supervisory Committee

Ignacio Fabián Gajst
Statutory Auditor

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 245 Page 74

Federico Nicolás Weil
President

(figures expressed in Argentine pesos)

Note 33. Related Parties (continued)

b) The most significant operations with Companies as per section No. 33 – Law No. 19550 and other related parties are as follows:

	Dec 31, 2012	Dec 31, 2011
LOANS RECEIVED		
Canfot S.A.	7.000.000	-
Pico y Cabildo S.A.	7.167.108	7.845.857
	14.167.108	7.845.857
PAYMENT MADE ON BEHALF OF AND TO THE ORDER OF THIRD PARTIES		
Individual shareholders	1.627.675	489.343
Maltería del Puerto S.A.	-	129.491
Pico y Cabildo S.A.	-	250.212
Canfot S.A.	-	25.141
PDG Realty S.A. Empreendimentos e Participações	561.738	592.062
Other shareholders	753.851	-
TGLT Uruguay S.A.	1.074.935	21.930
FDB S.A.	-	776.455
Directors	71.000	-
	4.089.199	2.284.634
COLLECTION OF RENDERED SERVICES, EARNED FEES AND LOAN AGREEMENTS SUSCRIBED		
Maltería del Puerto S.A.	6.891.025	26.291.302
Canfot S.A.	1.612.741	4.902.772
Marina Río Luján S.A.	4.973.415	544.907
Pico y Cabildo S.A.	-	234.073
Alto Palermo S.A.	2.529.350	-
IRSA Inversiones y Representaciones S.A.	19.824.592	-
	35.831.123	31.973.054
PAYMENTS MADE		
Canfot S.A.	7.356.000	-
Pico y Cabildo S.A.	2.705.688	-
Maltería del Puerto S.A.	6.662.197	15.505.446
	16.723.885	15.505.446
COSTS INCURRED BY THIRD PARTIES		
Marina Río Lujan S.A.	-	44.214
	-	44.214
CAPITALIZATION OF CREDITS		
Maltería del Puerto S.A.	31.087.570	-
TGLT Uruguay S.A.	10.689.541	-
	41.777.111	-
DEBT RELIEF		
Maltería del Puerto S.A.	7.270.911	-
	7.270.911	-

(figures expressed in Argentine pesos)

Note 33. Related Parties (continued)

b) The most significant operations with Companies as per section No. 33 – Law No. 19550 and other related parties are as follows:

	Dec 31, 2012	Dec 30, 2011
ADVANCED PAYMENTS GRANTED		
Maltería del Puerto S.A.	-	1.578.500
Alto Palermo S.A.	27.681.460	-
IRSA Inversiones y Representaciones S.A.	29.618.264	-
	57.299.724	1.578.500
LOANS GRANTED		
Maltería del Puerto S.A.	24.250.000	43.244.179
Marina Río Luján S.A.	216.702	4.226.250
TGLT Uruguay S.A.	3.935.292	-
	28.401.994	47.470.429

	Profit/(Loss)	
SERVICES RENDERED AND FEES EARNED	**Dec 31, 2012**	Dec 31, 2011
Maltería del Puerto S.A.	6.666.908	4.872.404
Canfot S.A.	290.400	3.716.402
Marina Río Luján S.A.	227.796	581.758
	7.185.104	9.170.564
FINANCIAL RESULTS, NET		
Maltería del Puerto S.A.	8.069.136	3.141.518
Marina Río Luján S.A.	544.021	425.581
Pico y Cabildo S.A.	(2.707.118)	(558.447)
Alto Palermo S.A.	(6.248.425)	(2.394.324)
IRSA Inversiones y Representaciones S.A.	(8.195.664)	(2.443.927)
Canfot S.A.	(371.231)	(3.474)
FDB S.A.	(34.378)	(5.135)
TGLT Uruguay S.A.	49.810	(184)
	(8.893.849)	1.838.392

(figures expressed in Argentine pesos)

Note 34. Breakdown by maturity of credits and debts

a) Classification of credits, tax assets and debt balances according to maturity:

	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Credits			
Due within			
Up to 3 months	16.713.272	43.889.619	4.550.090
From 3 to 6 months	19.917.721	32.674.511	26.136
From 6 to 9 months	181.215	81.422	47.245
From 9 to 12 months	66.981	71.728	827.771
Over 12 months	32.189.006	14.157.358	6.938.941
No specific due date	36.187.640	2.324.195	357.179
Past-due			
Up to 3 months	1.453.346	291.242	-
From 3 to 6 months	502.264	100.536	-
From 6 to 9 months	9.546	12.906	-
From 9 to 12 months	41.550	20.860	-
Over 12 months	471.153	-	-
Total Credits	107.733.694	93.624.377	12.747.362
Debts			
Due within			
Up to 3 months	25.028.821	36.973.202	2.946.327
From 3 to 6 months	8.539.317	14.106.218	2.326.059
From 6 to 9 months	3.443.443	-	-
From 9 to 12 months	17.525.817	-	-
Over 12 months	257.803.018	106.039.087	32.377.486
No specific due date	93.118	93.118	93.524
Past-due			
Up to 3 months	-	140.675	-
From 3 to 6 months	160.746	-	-
Total Debts	312.594.280	157.352.300	37.743.396

b) Credit, tax asset and debt balances accruing interest and otherwise are shown below:

Credits	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Accruing interests	21.552.299	35.059.040	788.925
Non accruing interests	86.181.395	58.565.337	11.958.437
	107.733.694	93.624.377	12.747.362
Average nominal annual rate:	**9%**	**8%**	**8%**
Debts			
Accruing interests	82.855.103	18.571.154	337.067
Non accruing interests	229.739.177	138.781.147	37.406.329
	312.594.280	157.352.301	37.743.396
Average nominal annual rate:	**16%**	**18%**	**18%**

Note 35. Amendment to the bylaws

On November 4, 2010, pursuant to the powers granted at the Shareholders' Meeting on October 30, 2009, the Board of Directors decided the following:

a) The subscription price was set at ARS 9.034 per ordinary share on the basis 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. As a consequence, a capital increase was set in the amount of ARS 47,999,485 by means of the issuance of 47,999,485 ordinary book-entry shares at a par value of ARS 1 each, entitling to 1 vote each. The difference between the subscription price and the par value of each share was allocated –net of expenses- to setting up a special premium issuance allowance. Additionally, the Board decided no to make another public subscription offering within the next six months.

b) The division of corporate capital in different types of shares was eliminated, thereby converting the existing shares into ordinary book-entry shares of a single class.

c) The new shareholders' registry to be managed by Caja de Valores S.A. as of November 5, 2010 was implemented.

d) The Company corporate equity was set at ARS 70,349,485, and it was recorded that 31,984,275 ordinary book entry shares were subscribed in the Argentinean tranche of the offering of shares, and 16,015,210 ordinary book-entry shares were subscribed as Global Depositary Shares in the international tranche of the offering of shares.

On December 20, 2011, at Extraordinary Shareholders' Meeting of the company it was unanimously decided that articles ninth (Powers of the Board of Directors) and fourth (business purpose) of the Bylaws had to be modified to allow for the furnishing of security in favour of third parties without having to secure the prior consent of the shareholders at the Shareholders' Meeting, and to amend certain ambiguities as to the business purpose and expand the same to include construction activities, respectively. On April 26, 2012 said modification was registered before the IGJ (registry of business organizations for the City of Buenos Aires).

On April 17, 2012, at the Extraordinary Shareholders' Meeting it was unanimously voted that articles four (business purpose) and nine (powers of the Board of Directors) of the bylaws had to be amended to limit the furnishing of security only in favour of subsidiaries or affiliates of the Company, instead of third parties in general.

As to the date of these individual consolidated financial statements, the capital increase of November 4, 2010 and the amendments to Articles nine and four of the bylaws were pending registration with Registro Público de Comercio (Public Registry of Business Organizations), and the pertinent proceedings before C.N.V. commenced.

(figures expressed in Argentine pesos)

Note 36. Loans

Following are details on the loans entered into by the Company and in effect as to December 31, 2012. Note 31 to the condensed consolidated financial statements must be taken into consideration together 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 urban project. In all cases the disbursement of 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 collected together with principal on the stipulated due date.

   The breakdown of each credit facility applied for with the Company is as follows:

Shareholder	#	Date	Total Amount	Amount requested	Amount paid	Rate
TGLT S.A.	1	05/05/2011	USD4.000.000	USD4.000.000	USD4.000.000	9%
	2	23/06/2011	USD1.000.000	USD1.000.000	USD1.000.000	9%
	3	20/07/2011	USD1.000.000	USD1.000.000	USD1.000.000	9%
	4	20/07/2011	USD 505.310	USD 505.310	USD 505.310	10%
	5	20/07/2011	USD2.000.000	USD2.000.000	USD2.000.000	9%
	6	29/07/2011	USD 505.310	USD 505.310	USD 505.310	10%
	7	07/10/2011	USD1.000.000	USD1.000.000	USD1.000.000	9%

   USD: United States dollars

   The balance of the credit facility of USD 4,000,000 was fully paid up, together with interests accrued up to the maturity date, on May 5, 2012.

   Regarding the rest of the disbursements, for a total of USD 6,010,620, on July 2, 2012 the parties agreed to convert them into a current account in dollars, together with interests accrued to each maturity date. Such current account must be cancelled on July 2 2013 and accrues nominal interest equivalent to 8% per annum, which will be invoiced on quarterly basis

   Likewise, on July 2, 2012 the parties subscribed a credit facility in the form of a commercial current account in pesos for a maximum amount of ARS 10,000,000 which was extended on August 27, 2012 to ARS 25,000,000, with a maturity date on July 2, 2013. Said current account accrues interests at a rate equivalent to Badlar Rate published by the Central Bank of Argentina, for time deposits in pesos for an amount over ARS 1,000,000, in periods of 30 and 35 days, plus two hundred nominal annual basic points. Such interests will be invoiced on quarterly basis.

   The disbursements requested by the Company are shown below:

Shareholder	#	Date	Amount paid
TGLT S.A.	1	18/07/2012	$ 2.000.000
	2	31/07/2012	$ 5.000.000
	3	17/08/2012	$ 2.000.000
	4	23/08/2012	$ 1.000.000
	5	27/08/2012	$ 1.000.000
	6	30/08/2012	$ 5.000.000
	7	27/09/2012	$ 1.000.000
	8	28/09/2012	$ 2.750.000
		TOTAL	**$ 19.750.000**

(figures expressed in Argentine pesos)

Note 36. Loans (continued)

As mentioned in Note 38.4 to the consolidated financial statements TGLT SA has subscribed an agreement with Maltería del Puerto SA, which resulted in capitalization and relief of loans. The outstanding pending cancellation up to December 31, 2012 corresponds to the current account in ARS for ARS 19,788,888 included under the entry “Credits with related parties” in Current assets

1. On December 16, 2010, the Company offered to make a loan to Alto Palermo S.A. (APSA) for the amount of USD 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 and until maturity at an interest rate equivalent to a nominal four per cent (4%) per annum on the principal amount.

c) Interest must be paid together with principal.

As to December 31, 2012 the loan and accrued interests were fully paid up. The outstanding amount of December 31, 2011 was of ARS 2,480,737, shown in “Credits with related parties” under Current assets .

2. On May 20, 2011, the Company applied for, and Pico y Cabildo S.A. granted, a credit facility for up to USD 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. The principal disbursed by Pico y Cabildo S.A. will accrue current interest at a rate of 5%, calculated on disbursed principal, and will be paid together with principal on the stipulated due date.

On January 12 and 31, 2012, the Company applied for two new credit facilities in the sums of USD 1,534,667 and USD 120,000, respectively, with the same specifications as detailed in the paragraph above.

As to the date of issuance of these individual condensed financial statements, the Company had received funds totalling USD 3,180,897, under the requested credit facilities.

The amounts outstanding under the credit facilities mentioned above, as to December 31, 2012 and 2011, included under “Credits with related parties” amount to:

Loans			
Date	**Current**	**Non-current**	**Total**
31/12/2012	13.842.353	-	13.842.353
31/12/2011	6.673.816	-	6.673.816

Note 36. Loans (continued)

3. The Company applied for, and Canfot S.A. granted, a credit facility for the sum of ARS 3,000,000 on February 24, 2012, providing for its refund within a maximum of one year, from the date of requested disbursement. The principal disbursed by the Company will accrue current interest at a nominal annual rate of 16 %, calculated on disbursed principal, and will be paid together with principal on the stipulated due date.

   On May 29, 2012, a loan agreement was entered into with Canfot S.A. for a credit facility amounting to ARS 4,000,000, with a maturity date on July 30, 2012. The principal disbursed by the company will accrue a current nominal interest rate of 14% per annum, calculated on disbursed capital, and will be paid together with principal on the stipulated due date. In July the Company paid the amount of ARS 4,000,000 as principal and in August and September the amount of ARS 84,000 as interests accrued up to that date.

   On November 21, the Company decided to pre-cancel the total outstanding of those loans. Therefore, as to December 31, 2012 there are no outstanding amounts for the loans mentioned in the preceding paragraphs.

Note 37. Shareholders' Agreements

On December 22, 2008 the Company, PDG Realty S.A. Emprendimeentos e Participações, Eduardo Rubén Glusman, Juan Carlos Paladini, Osvaldo Roberto Paladini, Verónica Lis Gonzalo y Juan Carlos Rosseti 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 decided, to attend the Shareholders' Extraordinary General Meeting and meet the requisite quorum and vote in favour of certain increases to Share Capital.

Finally, the Company assumed the obligation –in case Maltería del Puerto S.A Share Capital was insufficient for attaining its corporate purpose - to loan it, pro se or on behalf of third parties, the amounts required for said business purpose.

4. 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 capital.

Among the most relevant provisions that govern this Shareholders' Agreement are the following:

a) Stipulations for the designation and removal of directors and statutory auditors;

b) Stipulations for voting at Shareholders' Meetings regarding any of the decisions detailed under the agreement (such as those decisions mentioned under c) below), whereby the shareholders may only cast their votes at the Shareholders' meeting as previously agreed by them in writing before such Meeting;

c) Majorities for certain decisions to be adopted at the 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 bylaws; (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 business in Argentina; (iv) approval of the aggregate annual budget, among others;

d) Limitations to share transfers;

e) Rights of first refusal to acquire 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 established therein, the non-breaching shareholder may opt for: (i) demanding specific performance and damage 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 a market value plus 25% as penalty; (c) filing for damages..

Note 38. 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 (USD 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 shares 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.

Each Project in which PDG S.A. and the Company participate is to be structured through an Argentinean Company to be created or acquired for that purpose. In the event that the sum of (i) PDG S.A. direct shareholding in each of the corporations created or acquired for the aforementioned purposes, (ii) PDG S.A. indirect shareholding in said corporations through its shareholding in the Company should exceed 50%, PDG S.A consent shall be required when making the decisions listed specifically in the Agreement.

The most significant decisions are the following:

- Carrying out individual actions that entail increasing the debt of the companies created or acquired above the net worth of said company.
- Hiring third-party services for amounts greater than USD 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 part of the assets of the companies created or acquired other than in the ordinary course of business.
- Share capital increases greater than those approved in the business plans of the companies created or acquired, whereby PDG S.A. consolidated shareholding interest was reduced, at least by 50 % of its initial interest in those companies in the cases in which PDG S.A does not subscribe to them.
- Presentation of the companies created or acquired as a result of reorganization proceedings, bankruptcy, or out of court arrangements 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 said companies.

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 said agreement. The agreement will be effective for 15 years as from its date of execution.

Note 39. Noncompetition agreement

On August 15, 2007, PDG Realty S.A. Empreendimentos e Participações (en adelante "PDG S.A."), Federico Nicolás Weil and the Company entered into a non-competition agreement whereby the parties to said agreement stipulated certain mutual restrictions regarding investments, including:

I. For as long as Federico Nicolás Weil is acting as General Manager of TGLT S.A., he agrees to conduct any negotiation, investment and/or development of real estate business in the Argentine Republic exclusively through TGLT S.A.

II. Once Federico Nicolás Weil is no longer General Manager of TGLT S.A. for the period of two (2) years, he shall refrain—whether directly or indirectly through third parties- from conducting any negotiation, investment and/or development of real estate business for housing construction in the Argentine Republic.

III. 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 Argentine Republic through TGLT S.A.

IV. If TGLT S.A. decides not to take part in said real estate business, PDG S.A. may not take part in it either.

V. 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. 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 the Joint Venture Agreement.

VI. 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

VII. 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 negotiation, investment, and/or total or partial, direct or indirect development of activities in the Argentine Republic, 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 40. Litigation

40.1 Ingeniero Millia S.A.

On January 5, 2012, Company learned that Ingeniero Guillermo Milia S.A. (IGM), a contractor that the Company hired for the provision of concrete and masonry service in the “Astor Caballito” urban project,” had not paid the wages for 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 forced to assume the labour contingencies, terminate the relationship with IGM and take over the works, as described below:

On December 18, 2011, the Company received a request 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 the works and hired through IGM. On January 25, 2012, said entity assessed a debt of ARS 78,745, making this claim extensive to the Company, on joint-and-several bases, pursuant to Law No. 22550, section 32.

Note 40. Litigation (continued)

On the other hand, during December 2011, the Company signed collective employment agreements in relation to the IGM personnel assigned to the “Astor Caballito” works. Thus, in its capacity as owner of “Astor Caballito” urban project and as joint-and-several guarantors for the labour 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 owned under the supervision of the Argentine Ministry of Labour, in addition to their supplementary annual salary, unemployment fund and final settlement.

As to the date of these condensed individual financial statements, the Board of Directors of the Company estimates that no significant losses would result from the resolution of the situation discussed in the preceding paragraphs.

Likewise, in July 2012, IGM filed a petition for reorganization proceedings before the Civil and Commercial Trial Court No. 1 in and for the City of Olavarría, in the case “Ingeniero Guillermo Milia S.A. s/Concurso Preventivo.” The Company has appeared in court as unsecured creditor, claiming the amount of ARS 1,293,689. On September 12, 2012 the Court decided that the claimed credit was admissible as unsecured credit.

40.2 Astor Palermo Project - Injunction

On June 9, 2011, the Trial Court on Administrative and Tax Matter No. 9, Clerk’s Office No. 18, granted a preliminary injunction in Court Record No. 41.544 “Asociación de Amigos Alto Palermo c/ Gobierno de la Ciudad Autónoma de Buenos Aires Sobre Amparo”. Such injunction suspends the construction of the work of the premises located on Beruti No. 3351/59 between Bulnes street and Coronel Díaz Avenue of the City of Buenos Aires. Pursuant to paragraph II of said resolution, the suspension will remain in force until the Government of the City of Buenos Aires adds the administrative records No. 28831/2009 and 10788/2009 to the court record, whereby it has granted authorization for the construction of an apartment building with residential and commercial parking lots, to be built by the Company on that property.

On July 4, 2011, the Government of the City of Buenos Aires complied with this petition. On July 11, 2011, the acting judge granted the requested preliminary injunction. Said preliminary injunction was granted until all the evidence offered by the parties was produced, as well as any other evidence as might be required by the Court in due procedural course.

On July 15, 2011, the Company appealed against the resolution that granted this injunction, and said resolution was reversed.

On October 4, 2011, the plaintiff filed a brief (new fact) related to a request of reports on the conditions in which the project and its performance were authorized. Such new facts were answered, both on the appeal and in the main court record.

On April 26, 2012, the Appellate Court decided to reverse the trial court decision and lifted the injunction that had suspended resumption of works at Astor Palermo.

As to the date of issuance of these individual condensed financial statements, the Company has resumed the works and commercialization of said project.

40.3 Astor Caballito Project - Injunction

By means of a resolution on August 14, 2012, Room I of the Court of Appeals on Administrative and Tax Matters in and for the City of Buenos Aires, granted a preliminary injunction on the connected court records in the cases: “Asociación Civil y Vecinal SOS Caballito c/ GCBA s/ amparo” and “Asociación Civil Basta de Demoler c/ GCBA s/ amparo ” both being handled by the Trial Court on Administrative and Tax Matters No. 14 in and for the city of Buenos Aires. Said injunction provides for the suspension of the construction of the works on the premises of “Astor Caballito” project, located in the block surrounded by Mendez de Andes Street 621/25/39/53/59, Colpayo 624/26/28/36/38/44, Felipe Vallese 702/24738/42/50/54 and Rojas 629/31/33/35/37/38/41/49/77, of the City of Buenos Aires.

For this reason, the Company filed an appeal for review by the Trial court, having subsidiary appellation to a Superior Court. As to the date of issue of these consolidated condensed financial statements, said Superior Court has not issued a decision.

Note 41. Stock options plan

On October 30, 2009, at the Company Shareholders' Meeting, shareholders decided that a purchase plan on shares to be issued by the Company was to be established, in favour 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 shares increased 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 shares occurs, and consequently, capital gains for the shareholders. Therefore, Stock Options entail the benefit of efficiently aligning the Executive's 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 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 the 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 seven percent (7%) of the share capital 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 of Directors. 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, at the Shareholders' Meeting, the majority of shareholders present approved to extend, for an additional of two years, the term to issue the shares needed to implement the plan of incentives for officers and employees of the Company as approved at the Shareholders' Meeting held on October 30, 2009.

Note 42. Limit to shareholding in other companies

As provided for in Section 31 of Law No. 19550 (Business Organizations Act), 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 share 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 to December 31, 2012 the Company held long-term investments in the sum of ARS 260,948,353. As to that date, the Company had exceeded the limit established in Section 31 of Law No. 19550 by ARS 25,761,585.

In accordance with Chapter XXIII.11.11, Section 31 of Law No. 19550 of the restated CNV text, for the purposes of calculating the limit set out by Section 31 of Law 19550, only the interests held in companies, the business purposes of which are not supplemental or subsumed in the business purpose of the holding company, will be taken into consideration, at their recorded value.

As to December 31, 2012, the Company had shareholding in companies whose business purposes supplement and/or are included in the Company line of business, and therefore, the limit regarding shareholding in other companies established by Section 31 of Law No. 19550 are inapplicable regarding what was stated in the above paragraph.

Note 43. Restricted assets

The Company restricted assets as to December 31, 2012 are detailed in Note 34 to the consolidated financial statements.

Note 44. Allocation of retained earnings originated by application of IFRS for the first time

Pursuant to the Business Organizations Act, the Bylaws and General Resolution No. 368/01 of the Argentine Securities and Exchange Commission (CNV), 5% of the earnings for the fiscal year must be transferred to the statutory reserve, after the accumulated losses, if any, have been absorbed, until the Reserve amounts to 20% of the adjusted capital.

According to General Resolution No. 609 of CNV, the Company must allocate the amount of ARS 46,257,485 to a special reserve. Such amount results from the difference between the initial balance of retained earnings, showed in the financial statements as to the first closing of year in which IFRS were applied, and the final balance of retained earnings at the closing of the last year, which were governed by former accounting standards. This reserve cannot be reversed to make distributions in cash or in kind among shareholders or owners of the organization, and may only be reversed for capitalization or to absorb possible negative balances in the account “Retained Earnings”.

The decision arising from the application of the paragraph above shall be taken at the Shareholders’ Meeting in which the financial statements as to December 31, 2012 will be considered.

(figures expressed in Argentine pesos)

Note 45. Assets and liabilities in foreign currency

Item	Class and amount of foreign currency		Exchange rate	Amount accounted for in pesos	Amount accounted for in pesos	Amount accounted for in pesos
	Dec 31, 2012				Dec 31, 2011	Dec 31, 2010
ASSETS						
Current assets						
Cash and cash equivalents:						
Cash	USD	-	-	-	3.624	3.208
	BRL	-	-	-	222	425
				-	3.846	3.633
Banks	USD	968.203	4,878	4.722.896	230.934	157.809.124
Mutual funds	USD	4.731.520	4,878	23.080.354	56.704.973	-
Commercial papers	USD	1.455.750	4,878	7.101.148	7.992.442	-
Trade receivables:						
Private debtors	USD	74.283	4,878	362.353	316.743	-
Other receivables:						
Insurance to be accrued	USD	92.422	4,878	450.834	384.003	241.343
Advance payments to work suppliers for the purchase of inventories	USD	-	4,878	-	2.558	3.761
Insurance to be accrued	USD	5.129.706	4,878	25.022.706	22.078.255	58.237
Sundry	USD	-	4,878	-	42.640	-
Credits with related parties						
Trade receivables	USD	474.510	4,878	2.314.661	815.538	1.412.140
Other receivables	USD	886.196	4,878	4.322.864	35.875.110	788.925
Total del Current assets				67.377.816	124.447.042	160.317.163
Non-current assets						
Other receivables:						
Security deposits	USD	45.000	4,878	219.510	191.880	110.209
Insurance to be accrued	USD	12.918	4,878	63.015	114.715	-
Credits with related parties						
Other receivables	USD	878.235	4,878	4.284.030	1.591.474	-
Total non-current assets				4.566.555	1.898.069	110.209
Total assets				**71.944.371**	**126.345.111**	**160.427.372**

USD: United States dollars

Signed for identification purposes
with our limited revision report dated on March 8, 2013
Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 1 Page 68

By Supervisory Committee

Ignacio Fabián Gajst
Statutory Auditor

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 245 Page 74

Federico Nicolás Weil
President

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

AS TO DECEMBER 31, 2012 PRESENTED COMPARATIVELY

(figures expressed in Argentine pesos)

Note 45. Assets and liabilities in foreign currency (continued)

Item	Dec 31, 2012				Dec 31, 2011	Dec 31, 2010
	Class and amount of foreign currency		Exchange rate	Amount accounted for in pesos	Amount accounted for in pesos	Amount accounted for in pesos
LIABILITIES						
Current Liabilities						
Trade debts:						
Common suppliers	USD	221.155	4,918	1.087.641	-	424.446
Accrued expenses	USD	-	-	-	606.392	61.729
Provisions for works	USD	-	-	-	928.050	-
Insurance payable	USD	73.351	4,918	360.741	382.748	244.403
Loans:						
Loans received	USD	-	-	-	4.385.955	-
Corporate notes	USD	2.249.378	4,918	11.062.442	-	-
Advanced Payments of clients :						
Sums collected in advance	USD	6.102.526	4,918	30.012.221	16.371.392	-
Other accounts payable:						
Debt on purchase of stocks	USD	-	-	-	18.145.137	-
Outstanding sums with related parties:						
Trade debts	USD	5.431.428	4,918	26.711.763	42.224.900	-
Loans	USD	2.814.631	4,918	13.842.353	6.673.816	-
Advanced Payments of clients	USD	23.276.751	4,918	114.475.062	47.013.617	32.377.893
Other accounts payable	USD	32.685	4,918	160.746	6.424.607	-
Total del Current Liabilities				197.712.969	143.156.614	33.108.471
Non-current liabilities						
Loans:						
Corporate notes	USD	6.297.625	4,918	30.971.721	-	-
Total non-current liabilities				30.971.721	-	-
Total liabilities				228.684.690	143.156.614	33.108.471

USD: United States dollars

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Professional Counsel of Economic Science for the City of Buenos Aires
(C.P.C.E.C.A.B.A.) Book 1 Page 68

By Supervisory Committee

Ignacio Fabián Gajst
Statutory Auditor

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
Professional Counsel of Economic Science for the City of Buenos Aires
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Federico Nicolás Weil
President

TGLT S.A.
ADDITIONAL INFORMATION REQUIRED BY ARTICLE NO. 68 OF THE REGULATION OF BUENOS AIRES STOCK EXCHANGE

(figures in pesos denominated in accordance with the description of Note 3.1)

1) There are no specific regulations entailing contingent declines or resurgences of earnings bearing on the Company.

2) There are no significant modifications to the Company activity except for what has been mentioned in Note 35 to the individual condensed financial statements in relation to the expansion of the business purpose to "Construction Activities".

3) Regarding the classification of the balances pertaining to investments, credit and debts by maturity, see note 34 a) to TGLT S.A individual condensed financial statements.

4) Regarding the classification of the balances pertaining to investments, credit and debts based on the financial effects caused by their maintenance, see note 34 b) to TGLT S.A. individual condensed financial statements.

   a) The description of investments, credits and debts in foreign currency as to September 30, 2012 is shown in Note 45 to the individual condensed financial statements.

   b) There are no assets or liabilities subject to adjustment clauses.

   c) The description of items which accrue interest is provided in note 34 b) to TGLT individual condensed financial statements**.**

1. A description of the percentage interest in companies provided for in Section No. 33 of Law No. 19550 as to December 31, 2012 (for more information, please refer to Note 4.16 to the individual condensed financial statements of the Company):

		Interest	
Company	**Capacity**	**% Share capital**	**% Votes**
Maltería del Puerto S.A.	Accionista	90,00 %	90,00 %
Canfot S.A.	Accionista	90,91 %	100,00 %
Marina Río Luján S.A.	Accionista	49,99 %	49,99 %
Pico y Cabildo S.A.	Accionista	97,00 %	100,00 %
TGLT Uruguay S.A.	Accionista	100,00 %	100,00 %

En relación con la información sobre sociedades del artículo N° 33 de la Ley Nº 19.550, ver Note 33 a los estados financieros individuales de **TGLT S.A.**

El detalle de la distribución de la participación en el capital de la Sociedad se expone en Note 24 a los estados financieros individuales de **TGLT S.A.**

5. To the close of the period there is no credit for sales or loans n favour of the members of the Board of Directors, members of the Supervisory Commission, or their relatives up to the second degree, and there have not been any during the period.

6. As to December 31, 2012, the Company owns two properties in the City of Buenos Aires, included under "Inventories" in the sum of ARS 192,638,904. Additionally, that same entry includes costs related to the "FACA" urban project in the sum of ARS 24,245,764, whose advance payment is included under "Other receivables" in the sum of ARS 25,022,706.

No se han registrado provisiones vinculadas a los inmuebles mencionados.

7. The Company opted for restating the business combinations prior to the date of transition to the IFRS (December 31, 2010), and acquiring its stock in the joint controlled entity "Marina Río Luján S.A.", in accordance with the provisions set forth in IFRS 1.

Thus, the Company recognised all the assets and liabilities on the date of the business combinations prior to the date of transition to the IFRS and calculated them as to said date based on their fair values on the date of acquisition, as required by IFRS 3 "Business Combinations" and IAS 31 "Interests in Joint Ventures".

Finally, upon recalculating the business combinations prior to the date of transition to the IFRS (and acquisition of the jointly controlled entity "Marina Río Luján S.A."), the Company has proceeded to also recalculate the added values related to the referred acquisitions.

In summary, the purchases were entered in the books by applying the acquisition method. The consideration obtained as a result of the acquisition was calculated at the estimated fair value (at the date of exchange) of the assets assigned and liabilities incurred or assumed and the equity instruments, except for the deferred tax assets or liabilities, or assets related to agreements entailing benefits for employees that were included and calculated pursuant to IAS 12, "Income Taxes", and IAS 19 "Employees' Benefits", respectively.

8. There are no reserves from technical revaluations of fixed assets.

9. There are no obsolete property plant and equipment. The total residual value of properties, plant, and equipment totals ARS 4,137,952.

10. As to December 31, 2012, the Company held long-term investments in the sum of ARS 260,948,353. As to that date, the Company had exceeded the limit established in Section 31 of Law No. 19550 by ARS 25,761,585.

As provided for in Section 31 of Law No. 19550 (Business Organizations Act), 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 share capital and legal reserves.

Shareholding, whether through shares or quotas, which exceed said amount must be transferred within six months following the approval of the financial statements that disclose that the limit has been exceeded.

In accordance with Chapter XXIII.11.11, Section 31 of Law No. 19550 of the restated CNV text, for the purposes of calculating the limit set out by Section 31 of Law 19550, only the interests held in companies, the business purposes of which are not supplemental or subsumed in the business purpose of the holding company, will be taken into consideration, at their recorded value.

As to December 31, 2012, the Company had shareholding in companies whose business purposes supplement and/or are included in the Company line of business, and therefore, the limit regarding shareholding in other companies established by Section 31 of Law No. 19550 are inapplicable regarding what was stated in the above paragraph.

11. The recoverable value taken into account for permanent investments was the proportional equity value, for inventory the net realization value was used, whereas for fixed assets the economic use value was used.

12. Insurances:

	Risk covered	Amount Insured	
		ARS	USD
Building	Building fire	9.600.000	-
Building	General Fire	760.000	-
Building	General content theft	422.500	-
Building	Water damage	70.000	-
Financial assets	Valuables stolen from safe	40.000	-
Financial assets	Valuables soles in transit	20.000	-
Facilities	Glass	6.000	-
Facilities	Technical insurance	315.000	-
Computer assets	Reconstruction of documents	100.000	-
Personal	Full civil liability	2.500.000	-
Personal	D&O Civil Liability	-	10.000.000
Personal	E&O Civil Liability	-	5.000.000
All-risk construction	Physical damage to insured assets – “Astor Palermo”	-	24.000.000
All-risk construction	Physical damage to insured assets – “Astor Caballito”	-	24.000.000
All-risk	Extraordinary expenses	350.000	-

13. According to the Company Management criteria and in the opinion of its legal consultants there is no coverage registered. In Note 40 to the individual condensed financial statements of the Company, litigation cases as to December 31, 2012 are included.

14. There are no contingencies whose probability of occurrence isn’t considered remote by the Company Management or whose financial effects –if material- have not been accounted for in the books.

15. There are no irrevocable contributions charged to future subscriptions.

16. The Company share capital is only represented by ordinary shares.

17. In accordance with the Business Organizations Act, the Bylaws and General Resolution No. 368/2001 by the Argentine Securities and Exchange 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.

LIMITED REVIEW REPORT OF THE FINANCIAL STATEMENTS

The Board of Directors of

TGLT S.A.

CUIT No (tax identification number): 30-70928253-7

Place of Business: Av. Scalabrini Ortiz 3333 – 1st Floor

City of Buenos Aires

1. IDENTIFICATION OF FINANCIAL STATEMENTS SUBJECT TO THE LIMITED REVIEW

We have made a limited review to the enclosed individual consolidated financial statements of **TGLT S.A**. (hereinafter "**TGLT S.A**." or the "Company") together with its controlled companies (detailed in Note 4.2 herein) which include the balance sheet as at December 31, 2012, the statement of income of comprehensive income, the statement of changes to shareholders' equity and the statement of cash flow for the period ended on said date, and supplementary information shown in notes 1 to 47 (Notes 3 and 4 describe the main accounting policies used in the issuance of the enclosed consolidated financial statements).

The amounts and any other information regarding the fiscal year ended on December 31, 2011 are an integral part of the individual consolidated financial statement mentioned above, and are aimed at being read only in relation thereto.

The Company Board of Directors is responsible for preparing and presenting the financial statements in accordance with the International Financial Reporting Standards adopted by FACPCE as accounting professional standards incorporated by Comisión Nacional de Valores (Argentine Securities and Exchange Commission) to its regulations, as approved by the International Accounting Standard Board (IASB); the Board of Directors is also responsible for the internal control necessary for the preparation of the financial statements free of material misstatements or irregularities. We are responsible for issuing a limited review report on the financial statements, based on our audit conducted within the scope mentioned in paragraph 2 below

LIMITED REVIEW REPORT OF THE FINANCIAL STATEMENTS (continued)

2. SCOPE OF THIS AUDIT

Our task has been performed pursuant to audit regulations enforceable in the Republic of Argentina. These regulations require the auditor to plan and develop his task aiming at obtaining a reasonable degree of accuracy about the inexistence of significant distortions in these financial statements.

An audit entails applying procedures, upon selective basis, to be able to perform an analysis of the information included in the financial statements. The selected procedures depend on the auditor's professional understanding, who will contemplate the risks of the existence of significant distortions in the financial statements, originated in mistakes or irregularities. At this risk evaluation, the auditor considers the Company internal control, as deemed relevant for the drafting and issuing of these financial statements, to select the audit procedures more appropriate to the circumstances, but not to the aim of expressing an opinion on the efficiency of said internal control.

Likewise, an audit entails evaluating the appropriateness of used accounting policies, the soundness of accounting estimates carried out by the Company Directors and the issuance of the financial statements as a whole. We consider that the information obtained provide us with enough and appropriate foundation to support our audit opinion.

3. AUDITORS' REPRESENTATIONS

Based on the performed task, the consolidated financial statements mentioned in paragraph 2 above section 1 herein, we report that they are reasonably drafted in all significant aspects, as well as TGLT SA consolidated financial results, consolidated comprehensive income, the changes to the shareholders' equity and the consolidated cash flow for the fiscal year ended on December 31, 2012, in accordance with the International Financial Reporting Standards.

4. INFORMATION REQUIRED BY ENFORCEABLE STANDARDS

a) The interim individual condensed consolidated financial statements mentioned in paragraphs 1.a) and 1. b) of this report, have been prepared in conformity with the Business Organizations Act, Law No. 19500 and the applicable standards of Argentine Securities and Exchange Commission;

b) The amounts of the consolidated financial statements mentioned in paragraph 1 Section 1 of this report arise from the application of consolidation procedures as per the International Financial Reporting Standards as from the individual financial statements of the companies comprising the economic group, detailed in Note 4.2. the amounts of the individual financial statements of the controlling company arise from the accounting records transcribed in the corresponding books.

c) The consolidated financial statements mentioned in paragraph 1 Section 1 of this report are transcribed into the Inventories and Balances of the controlling company.

d) As part of our work, whose scope is described under paragraph 2, we have conducted a review of the Reporting Summary requested by the Argentine Securities and Exchange Commission, prepared by the Board of Directors and over which, within the scope of our capacity, we have no observations to make.

LIMITED REVIEW REPORT OF THE FINANCIAL STATEMENTS (continued)

4. INFORMATION REQUIRED BY ENFORCEABLE STANDARDS (continued)

e) As per the enforceable regulations of the Argentine Securities and Exchange Commission, we report the following percentage relations corresponding to fees invoiced directly or indirectly by our professionals:

1. Quotient between the total of fees for services of auditing the financial statements and other audit services rendered to the issuer, and the total of fees in all concepts, including audit services: 98%

2. Quotient between the total of fees for services of auditing the financial statements and other audit services rendered to the issuer, and the total of audit services invoiced to the issuer and it controlling, controlled and related companies: 52%

3. Quotient between Quotient between the total of fees for services of auditing the financial statements and other audit services rendered to the issuer, and the total invoiced to the issuer and it controlling, controlled and related companies including audit services: 52%.

f) It arises from the accounting records of the controlling company mentioned in paragraph b) of this Section that the liabilities accrued in said company as to December 31, 2012 in favor of the Argentine Social Security System as contributions amounted to ARS 512,567.22, and were not due to that date.

g) all procedures on prevention of money laundering and terrorism financing contemplated in the corresponding professional regulations of the Professional Counsel of Economic Science for the City of Buenos Aires have been applied.

City of Buenos Aires, March 8, 2013.

Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
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Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
Professional Counsel of Economic Science for the City of Buenos Aires (C.P.C.E.C.A.B.A.) Book 1 Page 68

LIMITED REVIEW REPORT OF THE FINANCIAL STATEMENTS

The Board of Directors of

TGLT S.A.

CUIT No (tax identification number): 30-70928253-7

Place of Business: Av. Scalabrini Ortiz 3333 – 1st Floor

City of Buenos Aires

1. IDENTIFICATION OF INTERIM CONDENSED FINANCIAL STATEMENTS SUBJECT TO THE LIMITED REVIEW

We have made a limited review to the enclosed individual consolidated financial statements of **TGLT S.A**. (hereinafter "**TGLT S.A**." or the "Company") together with its controlled companies (detailed in Note 4.2 herein) which include the balance sheet as at December 31, 2012, the statement of income of comprehensive income, the statement of changes to shareholders' equity and the statement of cash flow for the period ended on said date, and supplementary information shown in notes 1 to 45 (Notes 3 and 4 describe the main accounting policies used in the issuance of the enclosed consolidated financial statements).

The amounts and any other information regarding the fiscal year ended on December 31, 2011 are an integral part of the individual consolidated financial statement mentioned above, and are aimed at being read only in relation thereto.

The Company Board of Directors is responsible for preparing and presenting the financial statements in accordance with the International Financial Reporting Standards adopted by FACPCE as accounting professional standards incorporated by Comisión Nacional de Valores (Argentine Securities and Exchange Commission) to its regulations, as approved by the International Accounting Standard Board (IASB); the Board of Directors is also responsible for the internal control necessary for the preparation of the financial statements free of material misstatements or irregularities. We are responsible for issuing a limited review report on the financial statements, based on our audit conducted within the scope mentioned in paragraph 2 below

LIMITED REVIEW REPORT OF THE FINANCIAL STATEMENTS (continued)

2. SCOPE OF THIS AUDIT

Our task has been performed pursuant to audit regulations enforceable in the Republic of Argentina. These regulations require the auditor to plan and develop his task aiming at obtaining a reasonable degree of accuracy about the inexistence of significant distortions in these financial statements.

An audit entails applying procedures, upon selective basis, to be able to perform an analysis of the information included in the financial statements. The selected procedures depend on the auditor's professional understanding, who will contemplate the risks of the existence of significant distortions in the financial statements, originated in mistakes or irregularities. At this risk evaluation, the auditor considers the Company internal control, as deemed relevant for the drafting and issuing of these financial statements, to select the audit procedures more appropriate to the circumstances, but not to the aim of expressing an opinion on the efficiency of said internal control.

Likewise, an audit entails evaluating the appropriateness of used accounting policies, the soundness of accounting estimates carried out by the Company Directors and the issuance of the financial statements as a whole. We consider that the information obtained provide us with enough and appropriate foundation to support our audit opinion

3. AUDITORS' REPRESENTATIONS

Based on the performed task, the consolidated financial statements mentioned in paragraph 1 above Section 1 herein, we report that they are reasonably drafted in all significant aspects, as well as TGLT SA consolidated financial results, consolidated comprehensive income, the changes to the shareholders' equity and the consolidated cash flow for the fiscal year ended on December 31, 2012, in accordance with Technical Resolution 26 of the Argentine Federation of Professional Economics Boards for the preparation of individual financial statements for a controlling company.

4. INFORMATION REQUIRED BY ENFORCEABLE STANDARDS

a) The individual consolidated financial statements mentioned in paragraphs 1.a) and 1. b) of this report, have been prepared in conformity with the Business Organizations Act, Law No. 19500 and the applicable standards of Argentine Securities and Exchange Commission;

b) The amounts of the individual financial statements mentioned in paragraph 1 Section 1 of this report arise from the Company accounting records.

c) The interim individual condensed financial statements mentioned in paragraphs 1.a) and 1.b) of this report have been transcribed to the Inventory and Financial Statements Books;

4. INFORMATION REQUIRED BY ENFORCEABLE STANDARDS (continued)

e) As per the enforceable regulations of the Argentine Securities and Exchange Commission, we report the following percentage relations corresponding to fees invoiced directly or indirectly by our professionals:

1. Quotient between the total of fees for services of auditing the financial statements and other audit services rendered to the issuer, and the total of fees in all concepts, including audit services: 98%

2. Quotient between the total of fees for services of auditing the financial statements and other audit services rendered to the issuer, and the total of audit services invoiced to the issuer and it controlling, controlled and related companies: 52%

3. Quotient between Quotient between the total of fees for services of auditing the financial statements and other audit services rendered to the issuer, and the total invoiced to the issuer and it controlling, controlled and related companies including audit services: 52%.

f) It arises from the accounting records of the controlling company mentioned in paragraph b) of this Section that the liabilities accrued in said company as to December 31, 2012 in favor of the Argentine Social Security System as contributions amounted to ARS 512,567.22, and were not due to that date.

g) All procedures on prevention of money laundering and terrorism financing contemplated in the corresponding professional regulations of the Professional Counsel of Economic Science for the City of Buenos Aires have been applied.

City of Buenos Aires, March 8, 2013.

Adler, Hasenclever & Asociados S.R.L.
Certified Public Accountants
Argentine Federation of Professional Economics Boards for the City of Buenos Aires (C.P.C.E.C.A.B.A.) Book 1 Page 68

Gabriel Righini (Partner)
Certified Public Accountant (U.B.A.)
Argentine Federation of Professional Economics Boards. for the City of Buenos Aires (C.P.C.E.C.A.B.A.) Book 245 Page 74

SECTION 1.03. REPORT BY THE SUPERVISORY COMMITTEE

To the shareholders of
TGLT S.A.

In our capacity as members of the Supervisory Commission of **TGLT S.A.**, and in accordance with the provisions set forth in paragraph 5 of Article No. 294 of Law No. 19550 and the Buenos Aires Stock Exchange Regulations, we have conducted a limited review of the documents listed in paragraph I below. The Board of Directors of the Company is responsible for drafting and issuing said documents within the scope of their exclusive duties:

I. DOCUMENTS SUBJECT TO THE LIMITED REVIEW

a) Individual Balance Sheet as to December 31, 2012.

b) Individual Statement of Income and of Other Comprehensive Income for the period ended on December 31, 2012.

c) Individual Condensed Statement of Changes to Shareholders' Equity for the period ended on December 31, 2012.

d) Individual Statement of Cash Flow for the period ended on December 31, 2012.

e) Notes to the Individual Financial Statements as to December 31, 2012.

f) Consolidated Balance Sheet as to December 31, 2012.

g) Consolidated Statement of Income and of Other Comprehensive Income for the period ended on December 31, 2012.

h) Consolidated Statement of changes to shareholders' equity for the period ended on December 31, 2012.

i) Consolidated Statement of Cash Flow for the period ended on December 31, 2012.

j) Notes to the Consolidated Financial Statements as to December 31, 2012.

k) Annual Report and Overview to the Financial Statements as to December 31, 2012.

l) Inventary as to December 31, 2012.

m) Additional information required by Article No. 68 of the Buenos Aires Stock Exchange Regulations.

The amounts and any other information regarding the fiscal year ended on December 31, 2011 are an integral part of the individual consolidated financial statement mentioned above, and are aimed at being read only in relation thereto.

The Company Board of Directors is responsible for preparing and presenting the financial statements in accordance with the International Financial Reporting Standards adopted by FACPCE as accounting professional standards incorporated by Comisión Nacional de Valores (Argentine Securities and Exchange Commission) to its regulations, as approved by the International Accounting Standard Board (IASB); the Board of Directors is also responsible for the internal control necessary for the preparation of the financial statements free of material misstatements or irregularities. We are responsible for issuing a limited review report on the financial statements, based on our audit conducted within the scope mentioned in paragraph 2 below

I. SCOPE OF THE LIMITED REVIEW

Our task was carried out in accordance with the auditing standards in effect of the Argentine Federation of Professional Economics Boards. Said regulations require the application of the procedures established in Technical Resolution No. 7 of FACPCE regarding the limited review of financial statements, and include verifying the consistency of the documents reviewed and the information regarding company decisions presented in minutes, and whether said decisions are in compliance with the law and bylaws from formal and documentary standpoints.

In order to carry out our professional task for the documents listed in paragraph I, we have conducted a review of the task performed by **TGLT S.A.** external auditors, Adler, Hasenclever & Asociados S.R.L., who issued their limited review report on November 9, 2012, in accordance with enforceable auditing standards, with a favourable opinion and no observations. Said review included verifying task planning, the nature, scope and relevance of applied procedures and of the audit results carried out by said professionals; also verifying the soundness of significant information in the analysed documents, and its consistency with the company decisions stated in minutes and the adequacy of said decisions to the law and the bylaws, from formal and documentary standpoints.

We have not assessed the criteria and business decisions regarding management, financing and sales in any of their aspects, because they are the sole responsibility of the Board of Directors of the Company.
Likewise in relation to the Board of Directors' reporting summary for the period ended on December 31, 2012, we have verified that it includes information required by article 66 of Law 19550 and that the numerical information contained therein agree with the company records and further relevant documents.

Likewise, we have complied with the provisions set forth in Section 294 of the Business Organizations Act.

REPORT BY THE SUPERVISORY COMMISION (CONTINUED)

I. CONCLUSION

Based on our review, within the scope provided in chapter II we hereby report that:

a) the consolidated financial statements mentioned in paragraph 1 under a) to e) herein are reasonably drafted in all significant aspects, as well as TGLT SA consolidated financial results, consolidated comprehensive income, the changes to the shareholders' equity and the consolidated cash flow for the fiscal year ended on December 31, 2012, in accordance with Technical Resolution 26 of the Professional Counsel of Economic Sciences for the preparation of individual financial statements for a controlling company

b) The consolidated financial statements mentioned in paragraph 1 under f) to j) herein are reasonably drafted in all significant aspects, as well as TGLT SA consolidated financial results, consolidated comprehensive income, the changes to the shareholders' equity and the consolidated cash flow for the fiscal year ended on December 31, 2012, in accordance with International Financial Reporting Standards.

We additionally advise that:

a) The "Additional Information required by Article No. 68 of the Buenos Aires Stock Exchange Regulations" is presented reasonably, in all material respects, 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 I are taken from accounting records kept in compliance with legal provisions currently in effect, pursuant to their formal aspects.
c) TGLT S.A. individual financial statements and its consolidated financial statements are entered in the "Inventory and Financial Statements" book.
d) In relation to the Board of Directors' Annual Report and Overview for the period ended on December 31, 2012, we have verified that the information included therein required by section 66 of Law 19550 and by Exhibit I of Book VII of General Resolution No. 368/01 of Argentine Securities and Exchange Commission and that the numerical information contained therein agree with the company records and other relevant documents. We have no observations within the framework of our competence. Statements about future events are the sole responsibility of the Company Board of Directors.
e) In accordance with the requirements of General Resolution No. 340 of CNV regarding the independence of external auditors and the quality of auditing policies they apply, and regarding the Company accounting policies, the external auditor's report described above includes the representation that they have applied the enforceable auditing reporting standards of Technical Resolution 7 of the Argentine Federation of Professional Economics Boards which require independence, and do not contain any exception for the application thereof and those professional accounting resolutions enforceable in the Argentine Republic.
f) In the exercise of our duty to ensure legality, we have applied during the period the procedures described in Section No. 294 of Law No. 19550, which we deem necessary for these circumstances, having no significant observations on the mater.
g) All procedures on prevention of money laundering and terrorism financing contemplated in the corresponding professional regulations of the Professional Counsel of Economic Science for the City of Buenos Aires have been applied.

City of Buenos Aires, March 8, 2013.

IGNACIO FABIAN GAJST

Chairman of the Supervisory Committee