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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
TGLT S.A.

We have audited the accompanying consolidated balance sheets of **TGLT S.A.**, an argentine corporation, and subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of loss and other comprehensive loss, changes in equity, and cash flow for each of the two years in the period ended December 31, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and the International Standards on Auditing as adopted by the Argentine Technical Resolution N° 32 issued by the Federación Argentina de Consejos Profesionales de Ciencias Económicas (Argentine accounting regulator). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of **TGLT S.A.** and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2015 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Adler, Hasenclever & Asociados S.R.L.
Contadores Públicos
Av. Corrientes 327 P° 3
C1043AAD Buenos Aires, Argentina
April 27, 2016

CONSOLIDATED FINANCIAL STATEMENTS

TGLT S.A.
AS OF DECEMBER 31, 2015 AND 2014

TGLT S.A.
Place of Business: Av. Scalabrini Ortiz 3333—1st Floor
City of Buenos Aires, Argentine Republic

FISCAL YEAR NO. 11 and 10 STARTED ON JANUARY 1, 2015 and JANUARY 1, 2014.
FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015 AND 2014
TGLT GROUP, PRESENTED COMPARATIVELY
(figures expressed in Argentine pesos)

Performance: Management of real estate projects and undertakings, urban development; planning, evaluation, scheduling, formulation, development, implementation, administration, coordination, supervision, handling, organization, direction and performance in the management of real estate businesses; exploitation of trademarks, patents, methods, formulas, licenses, technologies, know-how, models and designs; every form of commercialization; study, planning, projection, advisory and/or execution of all types of public and/or private, national and/or provincial works, in rural real estate, urban dwellings, offices, premises, neighborhoods, towns and cities, roads, engineering and/or architectural works in general, managing, plan and project drawing, interventions in biddings of public or private works, and taking over works already started; import and export of building machinery, tools and materials; acting as a non-financial guarantor (trustee).

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

- Bylaws: June 13, 2005
- Last amendment: September 30, 2014

Registration ID with Inspección General de Justicia: 1.754.929

Bylaws maturity date: June 12, 2104

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 20 to the consolidated financial statements.

Share capital
(figures in Argentine Pesos)

Shares	Issued, subscribed and paid-in share capital
Ordinary, book-entry shares, carrying one vote each with a par value of (P.V.) $ 1	70,349,485
	70,349,485

TGLT S.A.

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2015 AND 2014
(figures expressed in Argentine pesos—$)

	Notes	Dec 31, 2015	Dec 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents	**5**	95,073,323	56,369,468
Financial instruments	**35**	—	4,107,049
Account receivables	**6**	31,119,108	18,021,017
Other receivables	**7**	265,525,202	205,277,389
Receivables from related parties	**29**	7,952,268	10,635,922
Inventory	**8**	3,116,583,692	2,376,299,432
Total current assets		3,516,253,593	2,670,710,277
Non-current assets			
Other receivables	**7**	829,405	2,090,895
Investment property under construction	**39**	34,326,685	33,982,480
Property, plant and equipment	**9**	9,849,355	9,428,093
Intangible assets	**10**	1,245,509	956,836
Deferred Tax assets	**11**	344,494,133	316,202,979
Goodwill	**12**	111,445,604	111,445,604
Total non-current assets		502,190,691	474,106,887
Total assets		**4,018,444,284**	**3,144,817,164**
LIABILITIES			
Current Liabilities			
Accounts payable	**13**	415,701,182	245,294,477
Short-term financial debt	**14**	392,037,742	291,379,211
Financial Instruments	**35**	—	6,245,796
Salaries and social security	**15**	19,789,322	11,389,224
Current tax liabilities	**16**	7,412,394	5,854,872
Other tax burden	**17**	38,980,268	10,110,333
Outstanding sums due to related parties	**29**	333,973,297	285,030,570
Advanced payments of clients	**18**	2,199,841,286	1,592,639,577
Other accounts payables	**19**	12,428,160	6,441,024
Total current Liabilities		3,420,163,651	2,454,385,084
Non-current liabilities			
Accounts payable	**13**	8,780,560	9,566,478
Long-term financial debt	**14**	58,717,680	92,917,581
Other tax burden	**17**	3,120,044	103,961
Other accounts payable	**19**	46,944,000	36,808,000
Deferred tax liabilities	**28**	265,599,814	267,476,178
Total non-current liabilities		383,162,098	406,872,198
Total liabilities		**3,803,325,749**	**2,861,257,282**
EQUITY			
Equity atributable to owners of the parent		172,124,894	238,025,268
Equity allocated to the non-controlling interest		42,993,641	45,534,614
Total equity		**215,118,535**	**283,559,882**
Total liabilities and equity		**4,018,444,284**	**3,144,817,164**

Notes 1 to 45 are an integral part of these financial statements.

TGLT S.A.

CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(figures expressed in Argentine pesos—$)

	Notes	Dec 31, 2015	Dec 31, 2014
Revenue from ordinary activities	22	829,008,092	415,421,582
Cost of ordinary activities	23	(655,230,877)	(348,677,952)
Gross profit		**173,777,215**	**66,743,630**
Sales expenses	24	(75,730,914)	(46,401,344)
Administrative expenses	25	(84,119,234)	(60,663,340)
Operating profit / (loss)		**13,927,067**	**(40,321,054)**
Other expenses	10	(383,313)	(450,551)
Financial results			
Exchange difference	26	(34,281,821)	(39,195,073)
Financial income	26	45,117,460	97,366,655
Financial costs	26	(82,579,088)	(40,154,554)
Other income and expenses, net	27	198,209	8,621,645
Loss before tax		**(58,001,486)**	**(14,132,932)**
Income tax benefit / (expense)	28	10,378,684	(3,687,354)
Loss for the year		**(47,622,802)**	**(17,820,286)**
Other comprehensive income that will be reclassified as gain or loss			
Difference for the conversion of a net investment abroad		(20,823,545)	(672,872)
Total of other comprehensive loss		(20,823,545)	(672,872)
Total comprehensive loss for the year		**(68,446,347)**	**(18,493,158)**
Loss for the year attributable to:			
Equity holders of the parent		(45,076,829)	(18,712,938)
Non-controlling interest		(2,545,973)	892,652
Total loss for the year		**(47,622,802)**	**(17,820,286)**
Attributable to Equity holders of the parent			
Base	37	**(0.64)**	**(0.27)**
Diluted	37	**(0.64)**	**(0.27)**
Total comprehensive loss for the year attributable to:			
Equity holders of the parent		(65,900,374)	(19,385,810)
Non-controlling interest		(2,545,973)	892,652
Total loss for the year		**(68,446,347)**	**(18,493,158)**

Notes 1 to 45 are an integral part of these financial statements.

TGLT S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015
(figures expressed in Argentine pesos—$)

	Shareholders' contribution				Reserves			Results	Shareholders' equity allocated to:		
Concept	**Share capital**	**Premiums of issuance**	**Capital Contribution**	**Total**	**Transactions between shareholders**	**Foreign currency translation reserve**	**Legal reserve**	**Retained earnings**	**Equity holders of the parent**	**Non-controlling interest**	**Total**
Balances as to January 1, 2015	70,349,485	378,208,774	8,057,333	456,615,592	(5,486,223)	(750,855)	4,000	(212,357,246)	238,025,268	45,534,614	283,559,882
Application of reserves(1)	—	—	(5,486,223)	(5,486,223)	5,486,223	—	—	—	—	—	—
Sale of non-controlling share(2)	—	—	—	—	—	—	—	—	—	5,000	5,000
Loss for the year	—	—	—	—	—	—	—	(45,076,829)	(45,076,829)	(2,545,973)	(47,622,802)
Other comprehensive loss, net of tax	—	—	—	—	—	(20,823,545)	—	—	(20,823,545)	—	(20,823,545)
Total comprehensive loss for the year	—	—	—	—	—	(20,823,545)	—	(45,076,829)	(65,900,374)	(2,545,973)	(68,446,347)
Balances as of December 31, 2015	**70,349,485**	**378,208,774**	**2,571,110**	**451,129,369**	**—**	**(21,574,400)**	**4,000**	**(257,434,075)**	**172,124,894**	**42,993,641**	**215,118,535**

(1) As per the General Ordinary Shareholders' Meeting on April 30, 2015.

(2) For the sale of shares of Sitia S.A.

Notes 1 to 45 are an integral part of these financial statements.

TGLT S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2014
(figures expressed in Argentine pesos—$)

	Shareholders' Contribution				Reserves			Results	Shareholders' equity allocated to:		
Concept	Share capital	Premiums of issuance	Contribution of capital	Total	Transactions between shareholders	Foreign currency translation reserve	Legal Reserve	Retained earnings	Equity holders of the parent	Non-controlling interest	Totals
Balances as to January 1, 2014	70,349,485	378,208,774	8,057,333	456,615,592	—	(77,983)	4,000	(193,644,308)	262,897,301	39,155,739	302,053,040
Acquisition of non-controlling share(1)	—	—	—	—	(5,486,223)	—	—	—	(5,486,223)	5,486,223	—
(Loss) / Profit for the year	—	—	—	—	—	—	—	(18,712,938)	(18,712,938)	892,652	(17,820,286)
Other comprehensive loss, net of tax	—	—	—	—	—	(672,872)	—	—	(672,872)	—	(672,872)
Total comprehensive (Loss) / Income for the year	—	—	—	—	—	(672,872)	—	(18,712,938)	(19,385,810)	892,652	(18,493,158)
Balances as of December 31, 2014	**70,349,485**	**378,208,774**	**8,057,333**	**456,615,592**	**(5,486,223)**	**(750,855)**	**4,000**	**(212,357,246)**	**238,025,268**	**45,534,614**	**283,559,882**

(1) For the acquisition of shares of Maltería del Puerto S.A.

Notes 1 to 45 enclosed hereto are part of these financial statements.

TGLT

TGLT S.A.

CONSOLIDATED STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(figures expressed in Argentine pesos—$)

	Dec 31, 2015	Dec 31,2014
Operating activities		
Loss for the year	(47,622,802)	(17,820,286)
Adjustments to obtain the cash flow provided by operating activities		
Deffered income tax expense (benefit)	(10,378,684)	3,687,354
Depreciation of Property, plant and equipment	2,895,640	3,065,883
Amortization of Intangible assets	383,313	450,551
Effect of financial statements conversion	(21,511,320)	(1,066,483)
Gain on advanced payments of clients in foreign currency	—	(38,908,204)
Changes in operating assets and liabilities		
Accounts receivables	(13,098,091)	(9,157,459)
Other receivables	(58,986,323)	(80,869,200)
Receivables from related parties	2,683,654	(2,153,886)
Inventory	(740,284,260)	(506,730,956)
Deferred Tax assets and deferred tax liabilities	(7,550,236)	4,642,141
Accounts payable	169,620,787	32,102,097
Accrued salaries and social security	8,400,098	5,072,714
Other tax burdens	31,886,018	3,730,045
Outstanding sums with related parties	48,942,727	43,089,821
Advanced payments of clients	607,201,709	421,560,335
Other payable	16,123,136	39,855,749
Tax on Minimum Presumed Income	(10,681,076)	(12,712,160)
Net cash flows used in operating activities	**(21,975,710)**	**(112,161,944)**
Investment activities		
Investments not considered as cash	(921,873)	(408,913)
Payments for the purchase of investment property under construction	(344,205)	(33,982,480)
Payments for the purchase of property, plant and equipment	(2,708,824)	(3,776,610)
Income from sales of property, plant and equipment	—	15,018
Payments for the purchase of intangible assets	(592,289)	(360,724)
Net cash flows used in investing activities	**(4,567,191)**	**(38,513,709)**
Financing activities		
Proceed for financial debt (Note 14)	66,458,630	84,453,861
Financial instruments	(2,138,747)	1,061,322
Sale Non-controlling interest	5,000	—
Net cash flows provided by financing activities	**64,324,883**	**85,515,183**
Net increase (decrease) in cash and cash equivalents	37,781,982	(65,160,470)
Cash and cash equivalents at the beginning of the commercial year	54,706,958	119,867,428
Cash and cash equivalents, at year end (See Note 5)	**92,488,940**	**54,706,958**

Notes 1 to 45 are an integral part of these financial statements.

TGLT S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2015 AND 2014
(figures expressed in Argentine pesos—$)

Note 1. Information about the Company

1.1. Introduction

TGLT S.A. (hereinafter "the Company", "TGLT" or "the Corporation") is a corporation incorporated in Argentina, dedicated to the development of residential real estate. TGLT operates in the main urban centers of Argentina and Uruguay. TGLT was founded in 2005 by Federico Weil, and in 2007 entered into a strategic alliance with PDG Realty S.A. Empreendimentos e Participações (hereinafter "PDG"), one of the main real estate developers in Latin America. In April 2015, PDG sold its shares of TGLT to Bienville Argentina Opportunities Master Fund and PointArgentum Master Fund LP (See Note 20). TGLT initially focused on projects for high income segments of society, and is now gradually extending its offering of products to medium income segments and commercial offices.

TGLT is a developer in the Argentine residential market with a presence in Uruguay. It is currently developing ten projects in high in-demand urban areas in Argentina and Uruguay, each of which are in different phases of the development process, from product design and permissioning to pre-construction and construction.

In November 2010, the Company conducted an Initial Public Offering ("IPO") of its shares in Argentina and abroad. Currently, the shares of the Company are listed on the Buenos Aires Stock Exchange and in BM&FBOVESPA of Brazil, by means of Brazilian Depositary Receipts or BDRs. The American Depositary Receipts (ADRs) Level I program, which represents the shares of the Company, are traded on the Over the Counter market, or Pink Sheets. As of December 31, 2015, the Company's ordinary shares can be converted into BDRs or ADRs at a ratio 5:1.

1.2. Business Model

TGLT is focused on the development of residential real estate in Argentina and Uruguay. TGLT's business model is based on its ability to identify the best plots of land and to build high-quality residential projects. With the support of a team of professionals, the standardization of processes, and the support of management, TGLT believes it has the tools that allow it to continuously launch new projects and to operate a large number of projects simultaneously.

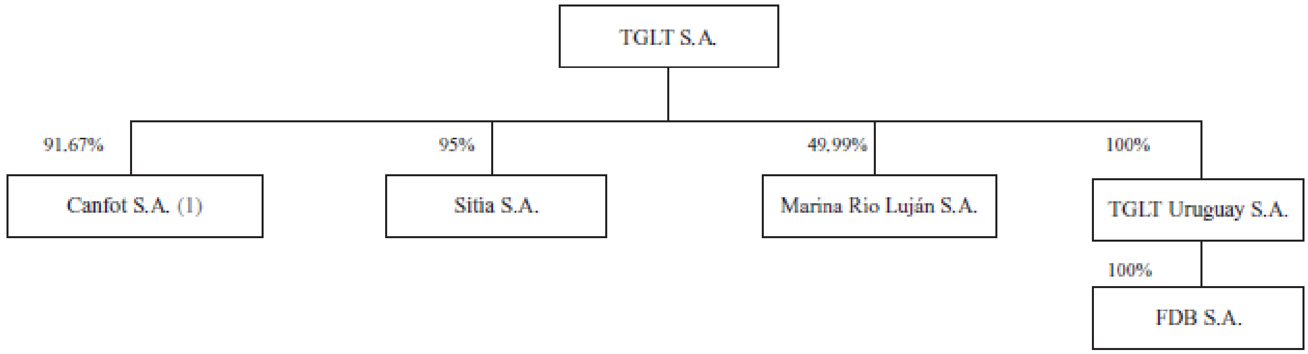
TGLT participates exclusively or substantially in each of the projects it develops, and it is committed to each project aligning with the interests of its shareholders.

The TGLT management team controls and is part of every function performed in connection with real estate development, from the search and acquisition of land, product design, marketing, sales, construction management, purchase of supplies, post-sale services and financial planning, with the counsel of businesses specialized in each development stage. Although the control of these functions and related decisions are made by TGLT, the performance of some tasks, such as architecture and construction, are delegated to specialized companies, which are supervised by TGLT.

The TGLT business model assumes a quick project launch. Once the Company acquires a plot of land, it plans to launch the project or the stages of the project within three to six months.

1.3. Company structure

The structure of TGLT and its subsidiaries (hereinafter “the Group”) is shown in the following chart:



The Group carries out the development of its real estate projects by TGLT S.A. or its subsidiaries. TGLT Uruguay S.A. (previously Birzey International S.A.) is an investment company in Uruguay, which is a holding company for our projects in Uruguay. FDB S.A. is a company domiciled in Montevideo, Uruguay.

According to assessments made by management, in light of IFRS 10 and 11, the participation of Marina Río Luján S.A. does not meet the definition of joint agreement, as the joint government agreement with Marcelo Gómez Prieto regarding Marina Río Luján S.A.’s relevant activities represents a protective agreement rather than a substantive one. Following IFRS 10 and 11, the Company has excluded the consideration of the aforementioned agreement in testing the control of Marina Río Luján S.A., but instead has based its analysis on: (a) the power implied in the ownership of its stake in Marina Río Luján SA (which confers substantive rights); (b) the Company’s exposure to variable returns from its involvement in Marina Rio Luján S.A.’s activities; and (c) the ability to use the power that gives the Company the capacity to direct the relevant activities of Marina Río Luján S.A. to affect the Company’s performance. Based on this analysis, the Company presents Marina Río Luján S.A. as a subsidiary, consolidating it following the procedures described in IFRS 10.

Note 2. Statement of compliance with IFRS

The consolidated financial 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).

Note 3. Criteria for Presenting the Consolidated Financial Statements

3.1. Criteria for the presentation

The Consolidated Balance Sheets and related Consolidated Statements of loss and Other Comprehensive loss, Changes in Equity, and Cash Flow as of and for the years ended December 31, 2015 and 2014 have been presented pursuant to the provisions of IFRS as issued by the IASB.

These consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and in accordance with Technical Resolution (RT) 26, amended by RT 29, of the Argentine Federation of Professional Accounting Councils (FACPCE), as adopted by the City of Buenos Aires Accounting Council (CPCECABA), and as required by the Argentine securities regulator (CNV) for most of public companies.

IAS 29 establishes the conditions under which an entity shall restate its financial statements if it is located in an economic environment considered “hyperinflationary”. In compliance with the provisions of IAS 29, the management of the Company periodically verifies the evolution of official statistics as well as the general factors of the economic environment in the countries in which the Company operates. It should be mentioned that if the qualitative and / or quantitative characteristics to consider an economy as a hyperinflationary economy set out in paragraph 3 of IAS 29 occur, the restatement of financial statements must be made retroactively from the date of the revaluation used as deemed cost (in the case of companies located in Argentina, since February 2003) or from the acquisition date for assets acquired after that date.

As inflation in Argentina has risen in the past years, management has further assessed the characteristics set out in paragraph 3 of IAS 29, including (i) the quantitative characteristics provided in section (e) “the cumulative inflation rate over three years is approaching, or exceeds, 100%”, as well as (ii) the qualitative characteristics contained in paragraphs a) to d) of that paragraph.

On the basis of the analysis made by management and other evidence available at the date of issuance of these consolidated financial statements, management concluded that Argentina does not qualify as a “hyperinflationary” country in terms of IAS 29.

While the CNV required public companies the full implementation of IFRS-as issued by the IASB—from periods beginning on January 1st, 2012, Decree No. 664/03 continues to be in force at the date of issuance of these consolidated financial statements. Through this Decree, the PEN instructed the control authorities—including the CNV—not to accept filings of restated financial statements. This legal restriction is foreseen in the current Regulations of the CNV (Title IV—Chapter III Article 3—paragraph 1).

Management of the Company believes that the periodic assessment of the macroeconomic environment in Argentina and the possible restatement of financial statements in accordance to IAS 29, represent an element of care and concern for investors, analysts and regulators of capital markets where Argentine companies list their equity and debt securities, because of the significant impact that such restatement might have on their financial position and results of operations, including TGLT.

Management of the Company will continue monitoring the evolution of inflation in Argentina in order to comply with the requirements of IAS 29.

These consolidated financial statements correspond to the twelve month period that began on January 1, 2015 and ended on December 31, 2015. According to IFRS and as required by the U.S. Securities and Exchange Commission for an Emerging Growth Company, the Company presents consolidated accounting information, the Consolidated Statement of Income and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement in comparison with the fiscal year ended December 31, 2014.

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

The following is a list of IFRS standards issued, but not yet enforced, as of the issuance date of these financial statements. The list includes only those issued standards which the Company deems applicable in the future.

IFRS 9 Financial Instruments (applicable to fiscal years beginning on or after January 1, 2018).

IFRS 9 Financial Instruments was issued in November 2009 and modified in October 2010 and introduces new requirements for the classification and measuring of financial assets and liabilities and for their writing off. IFRS 9 sets forth that all financial assets within IFRS 39 Financial Instruments (recognition and measurement) be measured afterwards at depreciated cost or fair value. Specifically, debt investments kept within the business model whose aim is to cash contractual cash flows, and with contractual cash flows, which are only payments of principal or interest over the current principal, are usually measured at depreciated cost at each subsequent period end. All the remaining debt investments or patrimony are measured at the fair value at the end of subsequent fiscal years.

The most significant effect of IFRS 9 in relation to the classification and measurement of financial liabilities relates to accounting the changes in the fair value of financial liabilities (marked as financial liabilities at fair value with changes in results) attributable to changes in credit risk of such liabilities.

Specifically, as per IFRS 9, for financial liabilities marked as financial liabilities at fair value with changes in results, the amount of the change in the fair value of that financial liability attributable to the changes in the credit risk of such debt is recognized through other comprehensive results, unless the recognition of the changes in the credit risk of that debt in other comprehensive results gives rise to an accounting unbalance. The changes in the fair value attributable to credit risk of a financial liability are not subsequently re classified as results.

Before IFRS 9, as per IAS 39, the total amount of the change in the fair value of the financial liability measured at fair value with changes in results were recognized in losses and profits.

In November 2013, IFRS issued an amendment to IFRS 9 as part of a stage of coverage accounting within the project for financial instruments accounting. The modifications include the withdrawal of the date of enforceability (beginning on January 1, 2015), to provide time to the IASB to finish other aspects of the project. On July 24, 2014, the IASB published the final version of IFRS 9 which includes the classification and measurement, depreciation and coverage accounting of IASB project to replace IAS 39. This version adds a new model of impairment of the expected loss and limited modifications to the classification and measurement of financial assets. The regulation replaces all previous versions of IFRS 9 and is effective for fiscal years beginning on or after January 1, 2018.

Management has stated that said modifications shall be adopted in the Company's financial statements for the fiscal year beginning on January 1, 2018. As of this date, Management has not determined the effect of this modification on the Company's financial statements.

IFRS 15 Revenue from contracts with customers (applicable to fiscal years beginning on or after January 1, 2017)

IFRS 15 Revenue per agreements with clients was issued in May 2014 and is applicable to fiscal years beginning on or after January 1, 2017. The regulation specifies how and when revenue should be recognized, as well as the additional information the Company must provide in its financial statements. It also provides a unique five-step model to be applied to agreements with clients.

Management stated that said modifications shall be adopted in the Company's financial statements for the fiscal year beginning on or after January 1, 2017. Management is currently assessing the potential effects of this modification on the Company's financial statements.

IFRS 16 Leases (applicable to fiscal years beginning on or after January 1, 2019).

IFRS 16 Leases was issued in January 2016 and is applicable to fiscal years beginning on or after January 1, 2019. IFRS 16 removes the twofold accounting model for leases which makes a distinction between financial lease agreements registered within the income statement, and operating leases for which the recognition of future lease installments is not due. Instead, it adopts a unique model, within the statement, similar to the present financial lease.

Note 4. Summary of the Main Accounting Policies Applied

4.1. Applicable accounting standards

These consolidated financial statements have been prepared using specific measurements required by IFRS for each type of asset, liability, revenue, and expenses. The consolidated reports attached are presented in pesos ($), the legal tender of Argentina, prepared on the basis of TGLT S.A.'s 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.

4.2. Consolidation Criteria

TGLT's consolidated financial statements include financial information from the Company and its controlled subsidiaries.

The financial statements of the controlled subsidiaries used to prepare the consolidated financial statements were prepared according to other Argentine 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 Profit / (Loss) for the year (according to the standard applied) and net Profit / (Loss) for the year (according to IFRS), and that amount to the total comprehensive Profit / (Loss) for the year.

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 as of the date of those financial statements. The income accounts were converted to Argentine pesos at the exchange rates in effect as of the date of those transactions.

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 distributed to third parties and included in the final asset balances were eliminated completely. The controlled companies whose financial statements have been included in these consolidated financial statements are the following:

Company	Type of Control	12/31/2015	12/31/2014
Canfot S.A.**(1)**	Unique	91.67%	91.67%
Marina Río Luján S.A.	Unique	49.99%	49.99%
TGLT Uruguay S.A.	Unique	100.00%	100.00%
SITIA S.A.	Unique	95.00%	95.00%
Green Urban Homes S.A.**(2)**	Unique	—	100.00%

(1) Maltería del Puerto S.A. has been merged with Canfot S.A. For more information see Note 33.1.

(2) Green Urban Homes S.A. is a company acquired by TGLT S.A. See Note 33.2.

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

4.3. Functional Currency

For the purposes of these consolidated financial statements, the income and balances 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 financial statements are presented. The functional currency of TGLT S.A. Uruguay and its subsidiary FDB S.A., each located in Uruguay, is the American dollar.

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 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 financial debt incurred 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 financial debt (that is, those not assigned specifically to a particular real estate urban project) the assignment criterion provided for in paragraph 14 of IAS 23 was used. The amount of costs for financial debt capitalized during the fiscal years reported does not exceed the total loan costs incurred during that same year and fiscal years, respectively. The remaining loan costs are included as profits and losses when they are incurred.

4.5. Taxes

The Income Tax expense 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 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 approved 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 Tax assets

The Deferred Tax assets was recognized for the temporary differences 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 differences. The deferred Tax Assets were recognized for all the temporary deductible differences to the extent that it was deemed likely that the entity would have future tax earnings from which to charge these temporary deductible differences. These assets and liabilities were not recognized when the temporary differences 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.

Measurement of the Deferred Tax Assets and Deferred Tax Liabilities at the end of the each fiscal years 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 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 recorded as income or expenses and included in comprehensive income.

4.8. Tax on minimum presumed income

The tax on minimum presumed income is considered supplementary to the Income Tax and its payment generates a credit to be used against any income tax payable within a ten-year period.

4.9. Personal Property Tax—Substitute Tax payer

Individuals and foreign entities, as well as undivided estates, whether domiciled or resident in Argentine or abroad are taxed on their personal property at a rate of 0.5% on the value of the shares issued by Argentine entities as of December 31 of each year. The tax is levied on the Argentine issuers of such shares, such as TGLT SA, who act as surrogate taxpayers for the corresponding shareholders, and is based on the value of shares (proportional owner's equity) or on the accounting value of shares derived from the most recent financial statements as of December 31 of each year. In accordance with the Personal Property Tax Law, the Company has the right to claim reimbursement for the tax paid to those shareholders to whom the tax was applied, by means of the reimbursement mechanism that the Company deems convenient (See Note 4.27 Dividend Distribution).

4.10. Investment property under construction

Investment property under construction consists of assets developed and kept to be leased in the future. They are valued at their historical cost, as they cannot be currently measured at their fair value accurately, but such value is expected to be measured at the end of the construction process.

4.11. Property, plant and equipment

Property, plant and equipment (P, P and E) 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 P, P and E as well as loan costs incurred due to long term construction projects, if the requirements for entering them are fulfilled.

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 of management. For more information regarding the useful lives assigned, please refer to Note 4.24 (Judgement, 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 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 incomes obtained from the sale of the asset and its book value) are included in the Consolidated Statement of Income and Other Comprehensive Income.

The residual values, useful lives, and depreciation methods and rates of the assets are checked and adjusted prospectively to the closing date of each fiscal year when necessary. The evolution of P, P and E is presented in Note 9.

4.12. Intangible assets

4.12.1 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 measured 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 10.

The amortization period and method for intangible assets with a defined 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 recognized 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 defined 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.

4.12.2 Software 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; and
- The capacity to perform reliable measurements of disbursements during their development.

After development is initially recognized as an asset, the cost model is applied, which requires that the asset be measured 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.

4.13. Impairment test of Goodwill, Intangible assets and Property, plant and equipment

As a general rule, IAS 36 establishes that at the closing of each year end, management must assess 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 cash generating unit, and its value in use, 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.

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

To determine the decrease in the goodwill resulting from business combinations, such goodwill was 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 goodwill was assigned, the Company must carry out the impairment test on each date on which financial statements are issued, regardless of whether there are indications of impairment. Consequently, creating a procedure for monitoring indications was not necessary, according to the information set forth in IAS 36.

Management bases its calculation of impairment on detailed estimates and prediction calculations conducted separately for each of the Group's CGUs to which individual assets are assigned.

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 other comprehensive income. In this case, the impairment is also included in other comprehensive income until reaching any evaluation previously recognized. A loss due to impairment previously recognized 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 recognized.

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 recognized in previous periods. This reversal is included in the statement of income unless the asset is recognized based on its newly assigned value, in which case the reversal is treated as a revaluation increase. The loss due to impairment recognized to the aim of determining Goodwill is not reverted in any subsequent fiscal year.

From comparing the book value of goodwill, intangible assets and property, plant and equipment identified with their corresponding recoverable values, no impairment has been identified.

4.14. Inventory

Inventory includes urban real estate under development (work-in-process) and completed units ready for sale.

4.14.1 Urban Real Estate Projects

Real estate classified as inventories are valued at the acquisition and/or construction costs, or at their net realizable 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 23 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 4.18 "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 identified was obtained from the reports issued by independent professional experts when business combinations occurred.

4.14.2 Finished Units

The units of real estate urban projects are listed as “Finished Units” when the construction process has finished and such units can be delivered or sold. If disbursements are made after construction has been completed, they are recognized as expense as long as they are not part of post-construction costs required for the units to be ready for conveyance or sale.

Note 4. Summary of the Main Accounting Policies Applied

IAS 2 indicates that inventories should be measured at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

With respect to inventories, as of December 31, 2015 and December 31, 3014, the accrued impairment was $1,386,579 and $23,811,358, respectively, corresponding to finished units from Forum Puerto Norte project.

At the time a functional unit is delivered to the customer, the cost of construction of that unit is recognized, reducing the inventory accordingly. The cost of the inventory property recognized in profit or loss on disposal is determined by considering sales prices less normal gross margin, on a weighted average cost basis, as the Company constructs the units of the multi-unit development simultaneously in the same construction process.

The percentage gross margin is based on the estimated total revenue and estimated total costs for each building calculated as of the date the unit is delivered, at a time when generally all or a vast majority of the units in such building have been sold and all or a vast majority of the costs associated to the building have been incurred, thereby minimizing the use of estimates.

4.15. 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 of December 31, 2015 and 2014, the Company has not entered into any financial lease agreements.

All other leases are treated as operating leases. Operating lease payments are expensed on a straight line method based on the lease agreement, and related costs such as maintenance and insurance are expensed when they are incurred.

Leases are classified as operating leases when the lessor does not transfer all risks and benefits inherent to the leased object’s ownership to the lease. Expenses related to operating leases are recognized lineally as expense in each fiscal year under “Lease and Expenses” in the Consolidated Statement of Income and Other Comprehensive Income.

4.16. Revenue recognition

In accordance with the criteria established by IAS 18, revenue from the sale of units is recognized when each of the following conditions are met.

Revenue is recognized 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.

4.16.1 Sale of Complete Units (Inventory)

Regular revenue obtained from the sale of assets was recognized 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 typically associated with ownership, and it did not maintain actual control over such assets.
- The amount of the regular revenue 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.

4.16.2 Services rendered

The revenue in concept of services rendered as per management agreements are recognized in results when the Company has rendered such services, independently of the moment they have been invoiced.

4.17. 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 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's 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 to unconditionally 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 acquisitions 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.

Below we present the period used for our operating cycles for each of the reporting segments as determined based on the projections and estimates prepared by management for each phase of a project, i.e., the period between the acquisition of a site, and the ultimate conveyance of the functional units, estimated in consideration of the size and complexity of such project.

Segment	Years
FPN	7
FFA	8
FPB	6
ASP	6
ASN	4
VEN	18 (1)
Other	12 (2)

(1) VEN project has several phases, of which the first one will begin deliveries in 2017 with an operating cycle from the acquisition of the land that took place in 2007 of 10 years. Subsequent phases will be delivered until 2025, for a total operating cycle of 18 years, and we present this longest period.

(2) Other includes projects with an operating cycle ranging from 4 to 12 years, and we presented this longest period.

4.18. Business Combinations

Business combinations registered took place before 2011 and are accounted for using 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 “Employee benefits”, respectively. The costs associated with the acquisitions were expensed upon being incurred.

The assets and liabilities adjustments related to fair value with an impact over investments value, included in Inventory, are accounted for as Greater Value of Inventory. Under IFRS, this greater value is only recognized as income when the related revenue is recognized (IAS 2, paragraph 34), with this revenue being recognized pursuant to IAS 18, paragraph 14. Greater Value of Inventory has been accounted for in relation to projects FPN, FFA, VEN and ASN whose land was acquired by means of the acquisition of a legal entity. As of December 31, 2015 and 2014 the entirety of the VEN and ASN greater inventory value that was recorded when said entities were acquired was included in Inventory, as no revenue has yet been recognized for these projects. As of December 31, 2015 and 2014, FPN greater inventory value was consumed 100% and 88%, respectively and FFA greater inventory value was consumed 62% and a 21%, respectively.

4.19. Goodwill

These costs result from the restatement of business combinations prior to December 31, 2010. Goodwill is the amount that exceeds the sum of the consideration transferred, the amount of any non-controlling equity interest in the entity acquired, where applicable, and the fair value of the equity interest that the purchaser previously had, where applicable, in the entity in relation to the net amount as of the date of acquisition of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortized, but is assessed to determine whether it is necessary to record any impairment at the date of each report.

Cash flow projections for each project are conducted quarterly and are submitted to the Board of Directors, which must give final approval. The projection of macroeconomic variables (inflation, exchange rate, interest rate, etc.) is provided by our external advisors in the field. The cash flows are discounted at the weighted average cost of capital of the Company (WAAC).

Changes in the interest in ownership of a subsidiary are recognized as equity transactions and do not affect the book value of goodwill.

4.20. Provisions

Provisions are recognized when the Company is faced with a current obligation (whether legal or implicit) resulting from a past event, and it is probable that the Company will incur costs or expenses to discharge such obligation, and when it was possible to reasonably estimate the amount of the obligation.

The amount listed as a provision is 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 a provision 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 32 contains a detailed description of the main claims received by the Company.

4.21. Financial Instruments

4.21.1 Financial Assets and Liabilities

1) Recognition and Initial Measurement

Financial assets under IAS 39 are classified as financial assets at their fair value through profit or loss, financial debt and accounts receivables, investments held to maturity, financial assets available for sale, or as derivatives assigned as hedge instruments with effective coverage, as applicable. The Company determines how these financial assets are classified when they are initially recognized. All the financial assets are initially listed at their fair value plus, for financial assets not recognized at their fair value through profit or loss, transaction costs that can be directly ascribed. Purchases or sale of financial assets that require delivery of assets within a term established by 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’s financial assets include cash and short-term investments, trade and other receivables, financial debt, and bank overdrafts 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 through profit or loss

Financial assets at fair value with changes through profit or loss include the assets maintained for the purposes of trading and the financial assets allotted when initially recognized, and at the fair value with changes through profit or loss. Financial assets are classified as available for sale when they are acquired to be sold or repurchased in the near future. Financial assets at their fair values with changes through profit or loss 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.

b) Financial debt, accounts receivables and financial debt accruing interests

Financial debt and accounts receivables 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 recognized as financial income in the statement of income. The losses resulting from impairment are entered in the statement of income as financial costs.

c) Investments Held to Maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held to maturity when the Company has the intention and capacity to maintain them until their maturity date. Following their initial recognition, investments held to maturity are measured at their amortized costs by means of the effective interest rate method, minus any impairment.

4.21.2 Compensation of financial assets and liabilities

Financial assets and liabilities are offset so their net value is recorded in the financial statements only if the Company (i) has the current right to legally demand compensation of recognized values; and (ii) has the intention of cashing them at their net value, or realizing its assets and settle its liabilities simultaneously.

4.22. Commercial and other debts

Commercial debts are initially recognized at their fair value and are later measured at their amortized cost, applying the effective interest rate method.

4.23. Equity

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

4.23.1. **Share Capital**

Consists of the shareholders' contributions represented by ordinary shares at their face value.

4.23.2. **Issuance premium**

Corresponds to the difference (premium) between the amount of the capital contribution and the corresponding face value of the shares issued.

4.23.3. **Legal reserve**

In accordance with the provisions of Argentine Law No. 19550, the Company has to appropriate to the legal reserve not less than 5% of the sum of net income, prior year adjustments, and transfers from other comprehensive income to retained earnings and accumulated losses from previous years, until reaching 20% of the share capital.

4.23.4. **Retained Earnings**

Retained earnings includes accumulated gains or losses without a specific appropriation that if positive, could be distributed upon approval at the Shareholders' Meeting, and is not subject to legal restrictions. Retained earnings includes the income from previous fiscal years that was not distributed, amounts transferred from other comprehensive income and adjustments to previous fiscal years as a result of applying new accounting standards.

Additionally, as per the regulations of the Argentine Securities Exchange Commission (CNV), when the net balance of other comprehensive income is positive, it may not be distributed, capitalized or used to absorb accrued losses. If it is negative, there will be a restriction on the distribution of retained earnings for the same amount.

In order to absorb the negative balance of the "retained earnings" 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.

4.23.5 **Non-controlling interest**

Non-controlling interest corresponds to the percentage over net assets acquired and the income representative of the rights over the shares that are not owned by Company.

4.24. Judgment, Accounting Estimates and Significant Assumptions

Preparation of the Company's financial statements requires management to apply judgement, accounting estimates and significant assumptions that affect the amounts of income, expenses, assets and liabilities reported and the disclosure of contingent liabilities, as of December 31 of each year reported.

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's accounting policies, management did not make judgments that could have a potentially material effect on the amounts recognized in the consolidated financial statements, except for what was indicated regarding recognition of tax credits.

The main accounting estimates and underlying assumptions included in the Company's consolidated financial statements as of December 31, 2015 and 2014 are described below. Such estimates and assumptions are periodically reviewed by management. The effects of the reviews of the accounting estimates are recognized in the year in which the estimates are reviewed, whether it is in the current year or in a future year.

a) Estimate of Useful Lives

Below is a description of the periods during which management believes that the assets will no longer be usable or will stop benefiting the Company financially: a) ten years for furniture and fixtures, b) five years for hardware, c) 50 years for real estate properties, d) three years for leasehold improvements in owned properties, e) five years for leasehold improvement in third-party properties, f) five years for installations, g) one year for showrooms, h) ten years for trademarks, i) three years for software, and j) three years for software development.

(1) In order to estimate the useful life of the different showrooms, product launch and estimated time for sales have been taken into account.

Management reviews its estimates upon the useful lives of depreciable or amortizable assets as of the end of each 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.

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

b) 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 is greater. Calculation of the fair value minus sales costs is based on available information 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 Company's 10-year budget and does not include restructuring activities to which the Company has not yet committed, or significant future investments that could 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.

c) 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 future tax profit and future tax planning strategies.

Note 28 includes more detailed information on the Corporate Income Tax.

4.25. Cash and cash equivalents

Cash and cash equivalents includes cash, bank deposits (including short-term time deposits) and highly liquid investments that are easily convertible into cash and are subject to a minimum risk of changing value. Cash and cash equivalents is disclosed in local currency at its par value and in foreign currency converted at the exchange rate in effect at the closing of the applicable year.

Exchange rate differences were recorded as part of the period's profits and losses. Financial assets such as mutual funds and commercial paper were classified as "Financial Assets at fair value with changes through profit or loss", considering the nature and purposed established during the initial recognition of these assets. The net earnings or losses for any income obtained resulting from financial assets were recognized in income and classified as finance income in the Consolidated Statement of Income and Other Comprehensive Income.

Certificates of deposit in foreign currency have not been included in the Consolidated Cash Flow Statement as their expiration date extends past ninety days.

4.26. Earnings per share

Net earnings per base share is calculated by dividing the net result for the period attributable to the controlling company shareholders by the average of outstanding ordinary shares during the period, net, if any, of repurchases. Diluted net earnings per share is calculated by dividing the net result for the period by the estimated average number of outstanding ordinary shares.

When computing the diluted earnings per share, the number of shares is adjusted for any potential conversion of ordinary shares. Diluted net earnings per share is based on the conversion rate or period price during the entire term of the instrument. The calculation of diluted earnings per share does not include potential ordinary shares that would not cause any dilution.

As of the date of these financial statements, TGLT SA has not issued any instruments which would result in the issuance of new ordinary shares and hence the estimation of the diluted earnings per share equals the estimation of the basic earnings per share. See Note 37.

4.27. Dividend Distribution

The Company's payable dividends are accounted for as liabilities for the period in which they are approved at the Shareholders' Meeting. As per Argentine regulations, dividends may only be paid with cumulative realized profits and with the liquidity (balance of cash and cash equivalents or other short-term investments) available in the prior year's audited financial statements, issued in accordance with Argentine accounting regulations and the Regulations of the CNV, and approved at the Shareholders' Meeting. The Board of Directors of any Argentine publicly listed company may declare provisional dividends, in which case, the Board members and the members of the Supervisory Committee shall be jointly responsible for the payment of such dividend if retained earnings for the period in which the dividend was declared were not enough to cover the payment of such dividend.

As per the Argentine Corporate Law and TGLT SA bylaws, a legal reserve shall be made of no less than 5% of realized profits and liquidity from the fiscal year's financial statements, up until such reserve is equivalent to 20% of the outstanding share capital. The legal reserve is not available for distribution among the shareholders.

As of the date of enforceability of Law 26893, distributed dividends, whether in cash, goods or any other form except free shares, are subject to tax withholding (Tax on Dividends) at a rate of 10% on the value of such dividends, for both Argentine companies and shareholders. The Company withholds and pays this tax on behalf of its shareholders and will cancel this tax paid with any existing or future liabilities with the shareholders on whose behalf the Company has paid those taxes.

4.28. Segment information

The Company has adopted IFRS 8. See Note 36.1.

Note 5. Cash and cash equivalents

	Notes	Dec 31, 2015	Dec 31, 2014
Cash in local currency		40,912	34,245
Cash in foreign currency	**38**	55,805	23,149
Banks in local currency		4,206,604	15,078,802
Banks in foreign currency	**38**	14,805,903	9,918,091
Funds to be deposited		252,026	4,791,537
Time deposits in foreign currency	**31.8 and 38**	2,584,383	1,662,510
Mutual funds in local currency		6,119,666	3,389,833
Mutual funds in foreign currency	**38**	6,051,016	15,083,424
Commercial papers in local currency		—	6,387,877
Commercial papers in foreign currency	**38**	60.957.008	—
Total Cash and cash equivalents		**95,073,323**	**56,369,468**

In the statement of cash flow, cash and cash equivalents comprise the following:

	Dec 31, 2015	Dec 31, 2014
Total cash and cash equivalents	95,073,323	56,369,468
Certificate of deposits in foreign currency expiring over 90 days	(2,584,383)	(1,662,510)
Total Cash and Cash equivalents	**92,488,940**	**54,706,958**

Note 6. Accounts receivables

	Notes	Dec 31, 2015	Dec 31, 2014
Accounts receivables from sales of units in local currency		7,951,718	6,770,162
Accounts receivables from sales of units in foreign currency	**38**	22,813,020	9,074,815
Accounts receivables from sales of services in local currency		349,414	1,281,911
Accounts receivables from sales of services in foreign currency	**38**	4,956	894,129
Total Accounts receivables		**31,119,108**	**18,021,017**

The age of accounts receivable is as follows:

	Dec 31, 2015	Dec 31, 2014
Due within		
0 to 90 days	3,907,451	2,176,040
91 to 180 days	2,207,508	6,215,563
Past-due		
0 to 90 days	25,004,149	9,629,414
Total	**31,119,108**	**18,021,017**

Note 7. Other receivables

Current	Notes	Dec 31, 2015	Dec 31, 2014
Value added tax		73,586,655	57,099,287
Value added tax in foreign currency	**38**	47,722,207	18,554,605
Gross income tax		3,765,016	2,508,370
Net worth tax in foreign currency	**38**	3,766,294	3,398,159
Taxes receivable in foreign currency	**38**	—	110,535
Other taxes in foreign currency	**38**	—	8,300
Advance payments to work suppliers in local currency(1)		79,457,883	109,015,584
Advance payments to work suppliers in foreign currency	**38**	19,028,705	3,538,542
Security Deposits in local currency		78,000	78,000
Security Deposits in foreign currency	**38**	707,004	380,700
Insurance policies to be accrued in local currency		40,563	15,732
Insurance policies to be accrued in foreign currency	**38**	1,670,925	1,129,943
Loan granted(2)		1,072,616	1,021,628
Prepayments—in local currency		626,953	325,065
Prepayments—in foreign currency	**38**	48,141	—
Refund		5,215,463	1,606,252
Refund from maintenance fees		8,409,063	6,495,471
Other checks—receivable		18,200	91,648
Collectable fund for equipment acquisition in local currency		194,032	289,227
Collectable fund for equipment acquisition in foreign currency	**38**	3,332,822	1,553,227
Collectable operating fund		563,215	—
Advance payments for the purchase of real estate properties		263,032	263,033
Advance payments for the purchase of real estate properties in foreign currency(3)	**38**	19,410,000	—
Sundry receivables in local currency		1,180,862	83,045
Sundry receivables in foreign currency	**38**	17,718	114,766
Minus:			
Bad-debt allowance on other receivables(1)		(4,650,167)	(2,403,730)
Sub Total other receivables—Current		**265,525,202**	**205,277,389**
Security deposits in local currency		12,300	21,100
Security deposits in foreign currency	**38**	49,011	88,264
Insurance policies to be accrued in foreign currency	**38**	—	445,342
Loan granted(1)		768,094	1,536,189
Sub Total other receivables—Non-current		**829,405**	**2,090,895**
Total other receivables		**266,354,607**	**207,368,284**

(1) See Note 32.3

(2) Loan granted by Canfot S.A. to Edenor:

On July 29, 2013 Edenor S.A. requested and Canfot SA granted a loan for an amount of $3,072,378 for financing works on the Forum Alcorta Project. These sums will accrue a compensatory interest to be calculated at the passive rate for 30 day certificates of deposit of the Argentinean National Bank, as of the last day of the month prior to the issuance of each payment. As of the date of issuance of these financial statements, Edenor S.A. has repaid twenty-four out of the forty-eight monthly installments agreed.

(3) Advance payments for the purchase of real estate properties in foreign currency

On November 30, 2015, the Company booked the purchase a building located in the San Telmo district, south of Buenos Aires City. As a form of acceptance of the reservation, TGLT paid the equivalent of US$1.2 million or $17.4 million, and agrees to pay the balance of $300,000 on December 1, 2016. At the date of issuance of these financial statements, TGLT is in the process of finalizing the formal instruments of acquisition and deeds.

Note 8. Inventory

	Notes	Dec 31, 2015	Dec 31, 2014
Forum Alcorta	**31.1**	—	407,628,792
Forum Alcorta—Finished units	**31.1**	411,620,358	183,513,258
Astor Caballito	**31.2**	115,429,796	114,356,845
Astor Palermo	**31.3**	—	439,647,643
Astor Palermo—Finished units	**31.3**	292,689,918	—
Forum Puerto del Buceo		1,071,181,369	450,286,233
Astor Núñez	**31.4**	354,453,825	170,897,440
Venice		402,381,085	227,102,480
Metra Puerto Norte	**31.5**	209,204,205	161,612,354
Proa	**31.5**	174,921,419	128,779,458
Metra Devoto	**31.6**	67,656,250	56,078,865
Other projects		1,906,673	—
Forum Puerto Norte—Finished units		16,525,373	60,207,422
Forum Puerto Norte—Impairment of finished units		(1,386,579)	(23,811,358)
Total Inventory(1)		**3,116,583,692**	**2,376,299,432**

(1) The finance costs capitalized as of December 31, 2015 and 2014, according to IAS 23, represent $60,680,010 and $139,232,501, respectively. The capitalization rates used for general borrowings was 29.4% and 31.1% in 2015 and 2014, respectively.

Note 9. Property, plant and equipment

	Furniture and Fixtures	Hardware	Improvements in owned property	Leasehold Improvements in third party properties	Installations	Showrooms	Real Estate Property	Total
Original value								
Balance as of January 1, 2015	1,011,273	1,495,496	334,998	1,408,830	6,174	14,950,551	2,732,142	21,939,464
Acquisitions	171,477	377,619	18,480	217,280	—	1,923,968	—	2,708,824
Conversion adjustment	68,739	106,285	—	293,164	—	915,480	—	1,383,668
Decreases	—	—	—	—	—	(1,362,766)	—	(1,362,766)
Total	1,251,489	1,979,400	353,478	1,919,274	6,174	16,427,233	2,732,142	24,669,190
Depreciation and impairment								
Balance as of January 1, 2015	(420,544)	(1,112,101)	(93,055)	(1,090,178)	(4,944)	(9,746,496)	(44,053)	(12,511,371)
Depreciations	(130,436)	(194,431)	(113,206)	(212,918)	(1,230)	(2,190,556)	(52,863)	(2,895,640)
Conversion adjustment	(43,402)	(51,989)	—	(218,060)	—	(462,139)	—	(775,590)
Decreases	—	—	—	—	—	1,362,766	—	1,362,766
Total	(594,382)	(1,358,521)	(206,261)	(1,521,156)	(6,174)	(11,036,425)	(96,916)	(14,819,835)
Net carrying value as of Dec 31,2015	**657,107**	**620,879**	**147,217**	**398,118**	**—**	**5,390,808**	**2,635,226**	**9,849,355**

	Furniture and Fixtures	Hardware	Improvements in owned property	Leasehold Improvements in third party properties	Installations	Showrooms	Real Estate Property	Total
Original value								
Balance as of January 1, 2014	723,687	1,182,668	—	1,779,823	6,174	14,018,014	—	17,710,366
Acquisitions	31,811	284,728	—	62,620	—	665,309	2,732,142	3,776,610
Conversion adjustment	30,940	37,967	—	131,920	—	267,228	—	468,055
Transferences	224,835	—	334,998	(559,833)	—	—	—	—
Decreases	—	(9,867)	—	(5,700)	—	—	—	(15,567)
Total	1,011,273	1,495,496	334,998	1,408,830	6,174	14,950,551	2,732,142	21,939,464
Depreciation and impairment								
Balance as of January 1, 2014	(293,745)	(864,567)	—	(878,957)	(3,709)	(7,276,025)	—	(9,317,003)
Depreciations	(117,337)	(238,698)	(93,055)	(166,746)	(1,235)	(2,404,759)	(44,053)	(3,065,883)
Conversion adjustment	(9,462)	(9,385)	—	(44,475)	—	(65,712)	—	(129,034)
Decreases	—	549	—	—	—	—	—	549
Total	(420,544)	(1,112,101)	(93,055)	(1,090,178)	(4,944)	(9,746,496)	(44,053)	(12,511,371)
Net carrying value as of Dec 31,2014	**590,729**	**383,395**	**241,943**	**318,652**	**1,230**	**5,204,055**	**2,688,089**	**9,428,093**

Note 10. Intangible assets

	Software	Software development	Trademarks	Total
Original value				
Balance as of January 1, 2015	464,926	2,091,558	26,037	2,582,521
Acquisitions	127,953	464,336	—	592,289
Conversion adjustment	122,150	—	5,791	127,941
Total	715,029	2,555,894	31,828	3,302,751
Depreciation and impairment				
Balance as of January 1, 2015	(279,869)	(1,334,570)	(11,246)	(1,625,685)
Depreciations	(39,163)	(340,361)	(3,789)	(383,313)
Conversion adjustment	(44,955)	—	(3,289)	(48,244)
Total	(363,987)	(1,674,931)	(18,324)	(2,057,242)
Net carrying value as of Dec 31,2015	**351,042**	**880,963**	**13,504**	**1,245,509**

	Software	Software development	Trademarks	Total
Original value				
Balance as of January 1, 2014	409,960	1,730,834	23,431	2,164,225
Acquisitions	—	360,724	—	360,724
Conversion adjustment	54,966	—	2,606	57,572
Total	464,926	2,091,558	26,037	2,582,521
Depreciation and impairment				
Balance as of January 1, 2014	(224,748)	(940,284)	(7,120)	(1,172,152)
Depreciations	(52,773)	(394,286)	(3,492)	(450,551)
Conversion adjustment	(2,348)	—	(634)	(2,982)
Total	(279,869)	(1,334,570)	(11,246)	(1,625,685)
Net carrying value as of Dec 31,2014	**185,057**	**756,988**	**14,791**	**956,836**

Note 11. Deferred Tax assets

	Notes	Dec 31, 2015	Dec 31, 2014
Tax on minimum presumed income		75,419,545	59,300,357
Tax loss—local source		256,461,077	248,931,054
Foreign net investment loss		12,613,511	7,828,229
Tax loss—foreign source	**38**	—	143,339
Total Deferred Tax assets(*)		**344,494,133**	**316,202,979**

(*) See "Deferred Tax Liabilities" Note 28

The Company produces projected estimates of its taxable income to determine the extent to which it will be able to use its deferred tax assets within the term of five years in accordance with the Income Tax laws in Argentina and Uruguay, which represents the basis for the recognition of our deferred tax assets.

TGLT utilizes the guidance provided by paragraph 34 of IAS 12. Tax losses as generated from income tax returns that are expected to be compensated by future taxable income are presented as the income tax amount expected to be recovered with the income tax loss of the period, in accordance with paragraph 54(n) of IAS 1, classified pursuant to IAS 12.

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

Year	Pesos Dec 31, 2015
2016	2,867,308
2017	16,335,130
2018	66,008,008
2019	94,552,497
2020	89,311,645
Total	**269,074,588**

Note 12. Goodwill

	Marina Río Lujan S.A.	Pico y Cabildo S.A.	Canfot S.A.	Total
Original value				
Balance as of January 1, 2015	21,487,412	10,558,985	79,399,207	111,445,604
Total	21,487,412	10,558,985	79,399,207	111,445,604
Impairment				
Balance as of January 1, 2015	—	—	—	—
Loss due to impairment	—	—	—	—
Total	—	—	—	—
Net carrying value as of Dec 31, 2015	**21,487,412**	**10,558,985**	**79,399,207**	**111,445,604**

	Marina Río Lujan S.A.	Pico y Cabildo S.A.	Canfot S.A.	Total
Original value				
Balance as of January 1, 2014	21,487,412	10,558,985	79,399,207	111,445,604
Total	21,487,412	10,558,985	79,399,207	111,445,604
Impairment				
Balance as of January 1, 2014	—	—	—	—
Loss due to impairment	—	—	—	—
Total	—	—	—	—
Net carrying value as of Dec 31, 2014	**21,487,412**	**10,558,985**	**79,399,207**	**111,445,604**

Note 13. Accounts payable

Current	Notes	Dec 31, 2015	Dec 31, 2014
Suppliers in local currency		34,124,309	11,754,104
Suppliers in foreign currency	**38**	36,831,093	11,822,134
Deferred checks in local currency		47,362,918	20,088,626
Deferred checks in foreign currency	**38**	9,565,836	—
Provision for expenditure in local currency		2,403,159	2,404,499
Provision for expenditure in foreign currency	**38**	1,004,075	494,196
Provision for works in local currency		27,357,591	33,582,015
Provision for works in foreign currency	**38**	7,071,015	2,724,893
Insurance policies payable in national currency		43,744	47,869
Insurance policies payable in foreign currency	**38**	1,703,863	968,552
Performance bond		9,987	169,646
Contingency fund in local currency		12,982,598	6,429,621
Contingency fund in foreign currency	**38**	7,297,972	2,899,993
Building permit in foreign currency	**38**	21,978,955	19,272,924
Creditors per purchase of real estate property in foreign currency	**38**	205,964,067	132,635,405
Subtotal current Accounts payable		**415,701,182**	**245,294,477**
Non-current			
Debt per building permit in foreign currency	**38**	8,780,560	9,566,478
Total Accounts payable—Non-current		**8,780,560**	**9,566,478**
Total Accounts payable		**424,481,742**	**254,860,955**

Note 14. Financial debt

Current	Notes	Dec 31, 2015	Dec 31, 2014
Short-term financial debt taken in foreign currency	**14.1 and 38**	109,865,697	8,624,200
Mortgage-backed bank short-term financial debt in local currency	**14.1**	100,314,642	58,517,492
Mortgage-backed bank short-term financial debt in foreign currency	**14.1 and 38**	25,729,155	85,884,333
Bank overdrafts	14.3	23,349,114	20,798,458
Corporate notes in local currency	**14.2**	105,467,898	100,698,114
Corporate notes in foreign currency	**14.2 and 38**	27,311,236	16,856,614
Subtotal current short-term financial debt		**392,037,742**	**291,379,211**
Non-current			
Mortgage-backed bank long-term financial debt in local currency	**14.1**	—	16,443,553
Corporate notes in local currency	**14.2**	58,717,680	29,933,191
Corporate notes in foreign currency	**14.2 and 38**	—	46,540,837
Subtotal non-current Long-term financial debt		**58,717,680**	**92,917,581**
Total Financial debt		**450,755,422**	**384,296,792**

The following is a breakdown of activity in financial debt:

	Dec 31, 2015	Dec 31, 2014
Opening balance	384,296,792	299,842,931
New financial debt and financing arrangements	264,092,973	101,398,291
Accrued interests	174,454,104	60,411,599
Effects of exchange rate variation	35,125,631	41,482,149
New bank overdrafts	2,550,657	1,176,119
Payment of principal	(155,871,042)	(61,805,325)
Payment of interests	(172,015,075)	(58,208,972)
Corporate Notes swap net of issuance costs	(82,055,271)	—
Effect of the conversion of financial statements	176,653	
Closing balance	**450,755,422**	**384,296,792**

1. Financial debt taken

The following is the description of the Company and its subsidiaries' main borrowings with banks or third parties:

					Amount payable			
					Dec 31, 2015		Dec 31, 2014	
Bank	Principal available	Maturity	Disbursements received	Partial repayment	Current	Non current	Current	Non current
Hipotecario(a)	30,000,000	28/02/2016	26,124,600	—	26,909,465	—	27,190,687	—
Hipotecario(a)	30,000,000	28/02/2016	30,000,000	—	30,901,295	—	31,243,911	—
Ciudad de Buenos Aires(b)	71,000,000	23/05/2016	42,303,447	—	42,503,882	—	82,894	16,443,553
Total in local currency					**100,314,642**	**—**	**58,517,492**	**16,443,553**
Hipotecario(a)	12,000,000	28/02/2016	9,906,007	(7,963,533)	25,729,155	—	85,884,333	—
Total in foreign currency					**25,729,155**		**85,884,333**	**—**

(a) On August 14, 2015, Banco Hipotecario accepted an offer to cancel the loan held by Canfot SA, with its corresponding refinance, by which the payment of the capital owed of US$7,492,997 was to be paid in five monthly consecutive installments, of which the first maturity date was August 30, 2015. As of December 31, 2015 and December 31, 2014, two out of the five scheduled installments are still pending repayment for the total amount of US$1,942,474, equivalent to $25,329,857 and US$10,033,216 equivalent to $85,884,333, respectively.

For the financial debt in pesos, three monthly consecutive installments with a maturity date of December 30, 2015 have been agreed. The owed capital as of December 31, 2015 and December 31, 2014 was $56,124,600 and $27,190,687, respectively.

Since December 31, 2015 to the date of issuance of these financial statements, the Company has paid interest and capital of $13,157,447, and as of December 31, 2014, the Company has paid $51,850,008.

(b) On May 23, 2013, TGLT entered into a loan agreement with Banco de la Ciudad de Buenos Aires for the amount of $71,000,000. All sums disbursed by the bank shall accrue, upon repayment, interest payable in monthly installments at the rate of 23% per annum, which is equivalent to an effective rate of 25.59% per annum.

Since December 31, 2015 to the date of issuance these financial statements, the Company has received additional disbursements of $6,643,808 and paid interest of $2,522,508.

					Amount payable			
					Dec 31, 2015		Dec 31, 2014	
Entity	**Principal available**	**Maturity date**	**Disbursements received**	**Partial repayment**	**Current**	**Non-current**	**Current**	**Non-current**
Individual	2,000,000	12/12/2016	1,330,000	—	17,682,838	—	8,624,200	—
Santander	687,500	08/12/2016	687,500	—	9,244,530	—	—	—
Itaú	387,000	31/03/2016	387,000	—	5,076,784	—	—	—
BBVA	3,990,000	07/12/2016	3,990,000	—	51,864,368	—	—	—
BBVA	2,000,000	29/02/2016	2,000,000	—	25,997,177	—	—	—
Total in foreign currency					**109,865,697**	—	8,624,200	—

On December 18, 2015, FDB SA entered into a credit facility of up to US$16,000,000 with Banco Bilbao Viscaya Argentaria Uruguay S.A. (BBVA) and Banco ITAU Uruguay S.A. (ITAU) related to Stages I and III of Forum Puerto del Buceo, under the following conditions:

- Bank participation: partial disbursements to BBVA and ITAU in equal portions (US$8,000,000 each).
- Bank commission fees: equivalent to 1% of the loan maximum amount.
- Requested Term: up to September 30, 2016 for the disbursements request.
- Interest rate: interest shall accrue at a variable rate equivalent to LIBOR of 90 days plus 3 points, per annum, plus taxes thereon, with a minimum rate of 5% per annum.
- Disbursements: as per building progress.
- Amortization of principal and interests: by partial payments as per delivery of units to future purchases, for the amount necessary for cancellation (or novation) of the mortgage of a unit sold.
- Collateral: Before any disbursement, FDB S.A. shall grant a first-degree mortgage in favor of the BBVA and ITAU of up to US$16,000,000 over the total of units comprising Stages I and III of Forum Puerto del Buceo project.
- Credit assignment: Credit assignment shall be granted as collateral for the participation of BBVA and ITAU in the credit agreement, for the prices pending payment of purchasing commitments in all mortgaged units.

As of the date of issuance of these financial statements, proceedings to enable granting of mortgages are in process, and as a result a bridge loan agreement was entered into between BBVA and TGLT SA on December 18, 2015, under the following conditions:

- Credit to FDB S.A. for a maximum of US$9,000,000.
- Bank commission fees: US$30,000 (advanced for the building loan).
- Requested Term: until February 29, 2016 for the disbursements request.
- Interest rate: the interest rate shall be 6.5% per annum.
- Collateral: a) Pledge: FDB and/or a third party accepted by BBVA must grant, before any disbursement, a first-degree pledge in favor of BBVA, for a minimum amount equivalent to two thirds of the amount of the disbursement, b) Credit assignment: FDB must grant a credit assignment as collateral for the benefit of BBVA, of the purchase commitment prices of units of Stages I and III of Forum Puerto del Buceo project.
- Joint and Several Guarantee: TGLT SA (TGLT Uruguay S.A. controlling company) must grant a joint and several guarantee in favor of BBVA for up to US$3,000,000.
- Repayment: against the first disbursement of the credit facility for building described in the first paragraph of this footnote.

On December 18, a credit assignment as collateral agreement was entered between BBVA and FDB, as collateral for the fulfillment of all of the obligations arising from the bridge loan, related to units from Stages I and III of Forum Puerto del Buceo project.

On December 15, 2015, the Board of Directors approved a guarantee for the amount of US$3,000,000 in favor of BBVA as collateral for financial debt granted to FDB SA.

As of December 31, 2015, FDB SA received from BBVA US$2,000,000, maturing February 29, 2016, which was renewed as of the date of these financial statements, and additional disbursements were received from BBVA for a total of US$3,000,000.

2. Corporate Notes

On December 20, 2011, the creation of a global program for the issuance of negotiable corporate notes, non-convertible to shares, with short, middle and/or long term maturities, subordinated or unsubordinated, secured or unsecured, as per Law 23576 and amendments (the “CNs”) for a maximum amount of up to US 50,000,000 or its equivalent in other currencies was approved at the Annual Shareholders’ Meeting.

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 Program will expire on July 12, 2017. Within this term, all the issuances and re-issuances under this Program must be carried out.

See Note 43 for subsequent events description.

This is a summary of the main characteristics of each of the Company issuances as from the Program approval up to December 31, 2015.

Class	III	IV	V	VI	VII	IX
Issuance date	3/07/2013	3/07/2013	27/05/2014	27/05/2014	12/05/2015	12/05/2015
Amount issued	$60,320,000	US$7,380,128	$50,300,000	$15,842,677	$77,690,235	$57,229,975
Amount payable	$14,330,000	US$2,077,865	—	$10,000,000	$77,690,235	$57,229,975
Amount payable, current (principal and interests)	$15,146,401	$27,311,236	—	$7,730,292	$80,414,888	$2,176,317
Amount payable, non-current (principal and interests)	$—	$—	—	2,500,000	$—	$56,217,680
Currency	Pesos	Pesos, to the current exchange rate("dollar-linked")	Pesos	Pesos	Pesos	Pesos
Interest rate	BADLAR Private + 395 bps	3.90%	BADLAR Private + 500 bps	BADLAR Private + 549 bps	Fixed rate 29%	The highest value resulting from: a) 0.90 multiplied by the variation of CAC index; and b) Tasa Badlar + 600 bps.
Maturity	04/01/2016	04/07/2016	30/11/2015	29/11/2016	06/05/2016	14/05/2018
Amortization	4 equal consecutive installments, as from 3/04/2015, in the months 21, 24, 27 and 30	4 equal consecutive installments, as from 5/10/2015, in the months 27, 30, 33 and 36	3 equal consecutive installments, as from 29/05/2015, in the months 12, 15 and 18	4 equal consecutive installments, as from 29/02/2016, in the months 21, 24, 27 and 30	1 installment at maturity date 06/05/2016	4 equal consecutive installments, as from 14/08/2017, in the months 27, 30, 33 and 36
Payment of interests		Coupon every 3 months				
Payment of principal		Simultaneous				
Rating		BBB as per FIX SCR S.A. Agente de Calificación de Riesgo				

On May 12, 2015 as a consequence of the last issuance of corporate notes Classes VII and IX, holders of other classes have decided to exchange corporate notes among the different series. Following is a summary of the main characteristics of such exchange:

Issuance exchanged	Exchanged amount	New issuance Class VII	New issuance Class IX
Class III	$3,000,000	$	$3,000,000
Class IV	US$4,609,642	US$1,279,642	US$3,330,000
Class V	$23,041,880	$17,691,880	$5,350,000
Class VI	$15,842,677	$9,668,535	$6,174,142

Likewise, Class VI 10,000,000 nominal value were resold in the market.

Below we present the amounts payable for each of our corporate notes, classified as current and non-current, in local and foreign currency, as of December 31, 2015 and 2014:

	Amount payable			
	Dec 31, 2015		Dec 31, 2014	
Class	Current	Non-current	Current	Non-current
III	15,146,401	—	48,939,200	14,278,344
V	—	—	51,293,705	—
VI	7,730,292	2,500,000	465,209	15,654,847
VII	80,414,888	—	—	—
IX	2,176,317	56,217,680	—	—
Corporate notes in local currency	**105,467,898**	**58,717,680**	**100,698,114**	**29,933,191**
IV	27,311,236	—	16,856,614	46,540,837
Corporate notes in foreign currency	**27,311,236**	**—**	**16,856,614**	**46,540,837**

On January 4, 2016, TGLT SA cancelled principal and interest corresponding to Class III in pesos and to Class IV in dollars for the amounts of $15,310,153 and US$713,047, respectively. Likewise, on February 29, 2016, the Company cancelled principal and interest corresponding to Class VI for the amount of $3,293,475, and interest corresponding to Class VII and VIII for the amount of $10,188,276.

3. Bank overdraft agreements

TGLT SA has subscribed the following agreements to operate overdraft with the following Banks: a) HSBC Bank Argentina SA for an amount of $8 million, b) Banco Industrial de Azul for $1.5 million, c) Banco Galicia for $2 million, d) Banco Supervielle for $5 million, e) Banco Santander for $15 million and f) Banco Patagonia for $5 million.

Note 15. Salaries and social security

	Notes	Dec 31, 2015	Dec 31, 2014
Wages payable in the local currency		10,679,726	5,735,052
Wages payable in foreign currency	**38**	1,003,335	162,201
Social security contributions payable in local currency		4,251,728	2,609,977
Social security contributions payable in foreign currency	**38**	112,338	647,113
Provision for Annual Complementary Salary and holidays in local currency		2,804,205	1,833,582
Provision for Annual Complementary Salary and holidays in foreign currency	**38**	374,035	316,955
Provision for Board of Directors fees		563,955	123,000
Staff advances		—	(38,656)
Total Salaries and social security		**19,789,322**	**11,389,224**

Note 16. Current tax liabilities

	Dec 31, 2015	Dec 31, 2014
Tax on minimum presumed income	7,368,579	5,854,872
Net Income Tax in foreign currency	43,815	—
Total Current tax liabilities	**7,412,394**	**5,854,872**

Note 17. Other tax burden

Current	Notes	Dec 31, 2015	Dec 31, 2014
Gross Income Tax		7,049,302	1,823,218
Provincial Tax Payable		548,796	760,995
Municipal Tax Payable		1,678,605	934,416
Provincial Tax Payment Plan		1,515,975	968,473
Municipal Tax Payment Plan	**32.4.1**	1,688,324	101,192
Provision for Municipal Tax		—	1,738,101
Net worth tax		851.982	1,142,922
Stamp Tax		23,299,530	460,293
Net worth tax in foreign currency	**38**	—	346
Withholdings and earnings to be deposited in local currency		1,626,562	1,862,882
Withholdings and earnings to be deposited in foreign currency	**38**	721,192	317,495
Subtotal Other tax burden—Current		**38,980,268**	**10,110,333**
Non-current			
Municipal Tax Payment Plan		3,120,044	—
Provincial Tax Payment Plan	**32.4.1**	—	103,961
Subtotal Other tax burden—Non-current		**3,120,044**	**103,961**
Total Other tax burden		**42,100,312**	**10,214,294**

Note 18. Advanced payments of clients

		Dec 31, 2015	Dec 31, 2014
Advanced collections in local currency		1,171,956,748	1,301,233,513
Advanced collections in foreign currency		1,059,212,786	365,187,474
Advanced collections per stock sales		19,385,264	10,963,318
Funds applied to equipment in local currency		37,745,625	17,991,574
Funds applied to equipment in foreign currency		3,098,855	—
Operating fund in local currency		4,763,364	899,633
Operating fund in foreign currency		73,238	—
Value added tax		(96,394,594)	(103,635,935)
Total Advanced Payments of clients		**2,199,841,286**	**1,592,639,577**

Note 19. Other accounts payables

Current	Notes	Dec 31, 2015	Dec 31, 2014
Sundry creditors in foreign currency	**31.8 and 38**	2,584,383	1,662,510
Debt per the purchase of shares in foreign currency	**33.2 and 38**	9,128,007	4,280,000
Provision for other claims	**32.7**	687,250	300,000
Other liabilities		28,520	198,514
Total Other accounts payables— Current		**12,428,160**	**6,441,024**
Non-current			
Debt per the purchase of shares in foreign currency	**33.2 and 38**	46,944,000	36,808,000
Total Other accounts payable—Non current		**46,944,000**	**36,808,000**
Total Other accounts payable		**59,372,160**	**43,249,024**

Note 20. Share Capital

The Company's capital is distributed as follows:

	Dec 31, 2015		Dec 31, 2014	
Shareholders	Shares	%	Shares	%
Federico Nicolás Weil	13,804,445	19.6%	13,796,432	19.6%
PDG Realty S.A. Empreendimentos e Participações(1)	—	—	19,121,667	27.2%
Bienville Argentina Opportunities Master Fund LP	9,560,830	13.6%	—	—
PointArgentum Master Fund LP	9,560,830	13.6%	—	—
Michael Tennenbaum	7,270,318	10.3%	7,270,318	10.3%
IRSA Propiedades Comerciales S.A.	6,671,712	9.5%	6,679,423	9.5%
Serengeti Asset Management	5,008,883	7.1%	—	—
Other holders of US certificates of deposit representing ordinary shares (ADRs)	14,842,587	21.1%	18,091,690	25.70%
Holders of Brazilian certificates of deposit representing ordinary shares (BDRs)	335,240	0.5%	335,240	0.5%
Other holders of ordinary shares	3,294,640	4.7%	5,054,715	7.2%
Total share capital	70,349,485	100%	70,349,485	100%

(1) On April 24, 2015, The Company was notified that PDG Realty S.A. Empreendimentos e Participações ("PDG") transferred to each of Bienville Argentina Opportunities Fund and PointArgentum Master Fund LP 13.6% of TGLT SA shares, which together comprised PDG's total share of 27.2% in TGLT SA., prior to the conversion of ADRs ordinary shares. As a consequence of these transactions, PGD representatives on the Board of Directors and the supervisory committee resigned and were replaced by the representatives of the new investors, approved at the General Ordinary Shareholders' Meeting on April 30, 2015.

Note 21. Reserves, retained earnings and dividends

Dividends policy

To protect the interests of TGLT's financial creditors, TGLT shall not make or agree to make any kind of dividend payment, whether directly or indirectly, before any scheduled payment of principal, amortization, or other amounts due on the corporate notes or any of its debt subordinated to its corporate notes have been paid.

Note 22. Revenue for ordinary activities

	Dec 31, 2015	Dec 31, 2014
Revenue for delivery of Inventory	818,360,768	405,973,903
Revenue for services rendered	10,647,324	9,447,679
Total Revenue for ordinary activity	**829,008,092**	**415,421,582**

Note 23. Cost of ordinary activities

	Dec 31, 2015	Dec 31, 2014
Inventory at start of year	219,909,322	83,775,409
Plus:		
Cost triggered during the year	1,152,101,005	482,557,804
Costs of services rendered	2,669,620	2,254,061
Minus:		
Inventory at end of year	(719,449,070)	(219,909,322)
Total cost of ordinary activity	**655,230,877**	**348,677,952**

Note 24. Sales expenses

	Dec 31, 2015	Dec 31, 2014
Wages and social security contributions	9,580,696	4,776,718
Other payroll expenses	321,668	190,452
Rent and maintenance fees	601,434	1,218,733
Professional fees	342,000	288,000
Taxes, duties and assessments	23,951,585	15,958,767
Transport and per diem	311,546	239,769
IT and service expenses	709,252	420,258
Impairment of fixed assets	2,190,556	2,404,759
Office expenses	411,833	328,547
Insurance	13,137	148,606
Advertising expenses	15,505,115	11,515,789
Costs per sales	9,274,036	5,182,580
Consortium expenses	11,476,357	3,465,136
Post sales costs	989,161	—
Overhead	52,538	263,230
Total sales expenses	**75,730,914**	**46,401,344**

Note 25. Administrative expenses

	Dec 31, 2015	Dec 31, 2014
Wages and social security contributions	49,201,613	36,635,691
Other payroll expenses	2,357,660	1,099,663
Rent and utility bills	2,810,031	2,611,216
Professional fees	9,115,617	9,836,320
Directors fees	2,255,820	493,915
Statutory auditing committee fees	893,440	418,374
IPO expenses	927,660	652,342
Taxes, duties and assessments	8,337,130	1,692,939
Transport and per diem	899,086	995,626
IT and services expenses	2,767,919	2,450,753
Impairment of fixed assets	705,084	661,124
Office expenses	2,156,063	1,946,849
Insurance	1,476,136	1,077,412
Donations	215,975	76,000
Overhead	—	15,116
Total administrative expenses	**84,119,234**	**60,663,340**

Note 26. Financial results

	Profit/(Loss)	
	Dec 31, 2015	Dec 31, 2014
Exchange difference		
Income from exchange differences	89,660,602	73,546,637
Costs from exchange differences	(123,942,423)	(112,741,710)
Total Exchange difference	**(34,281,821)**	**(39,195,073)**
Financial income		
Interest	3,956,226	9,211,211
Income from holding short-term investments	3,132,621	30,814,242
Income from sale of short-term investments	20,955,214	6,465,131
Refund of provision advances in foreign currency	—	38,908,204
Income brought from financial instruments	17,073,399	11,967,867
Total Financial income	**45,117,460**	**97,366,655**
Financial costs		
Interests	(63,187,511)	(28,525,306)
Subtotal Interests	(63,187,511)	(28,525,306)
Other Financial costs		
Banking expenses	(2,573,585)	(1,989,476)
Tax on bank debits and credits	(12,151,906)	(9,313,364)
Other bad credits	(4,666,086)	(326,408)
Subtotal Other Financial costs	(19,391,577)	(11,629,248)
Total Financial costs	**(82,579,088)**	**(40,154,554)**

Note 27. Other income and expenses, net

	Profit/(loss)	
	Dec 31, 2015	**Dec 31, 2014**
Refund of costs	18,300	424,955
Debt relief	(697,493)	(587,859)
Income per contract assignment	(77,586)	—
Income per termination of contract	975,021	—
Recovery provision for expenses	—	2,138,535
Recovery provision net worth tax	—	120,847
Legal settlements	(1,540,615)	—
Sale of property, plant and equipment	—	56,973
Capital gain—Acquisition of Green Urban Homes S.A.	—	4,754,283
Sundry	1,520,582	1,713,911
Total Other income and expenses, net	**198,209**	**8,621,645**

Note 28. Income tax and deferred tax expense

The structure of "Income tax" determined in accordance with IAS 12, which is shown in the statement of income as of December 31, 2015 and 2014, is as follows:

	Dec 31, 2015	**Dec 31, 2014**
Income tax expense	12,315,305	88,917,359
Deferred tax expense	(1,936,621)	(92,604,713)
Total Income Tax	**10,378,684**	**(3,687,354)**

Deferred Tax at the close of the period or 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 at the close of each period is as follows:

	Dec 31, 2015	**Dec 31, 2014**
Assets from Deferred Tax		
Bad credits	1,905,030	1,947,753
Property, plant and equipment	3,804,064	1,431,401
Deferred Income	15,218,928	6,060,785
Subtotal assets from Deferred Tax	20,928,022	9,439,939
Deferred Tax liabilities		
Short-term investments	(868,420)	(2,188,493)
Inventory valuation	(108,353,798)	(88,243,737)
Foreign currency valuation	(130,715,431)	(130,959,140)
Financial costs	(46,569,039)	(55,514,238)
Intangible assets	(21,148)	(10,509)
Subtotal liabilities from Deferred Tax	(286,527,836)	(276,916,117)
Net position of assets/(liabilities) from Deferred Tax	**(265,599,814)**	**(267,476,178)**

The Company produces projected estimates of its taxable income to determine the extent to which it will be able to use its deferred tax assets within the term of five years in accordance with the Income Tax laws in Argentina and Uruguay, which represents the basis for the recognition of our deferred tax assets.

The following is a detailed description of the reconciliation between Income Tax charged to results and the expected result from applying the relevant tax rate to the accounting result before taxes:

	Dec 31, 2015	Dec 31, 2014
Income Tax calculated at the current rate for each country	17,714,464	(90,211)
Non-deductible expenses	(5,963,279)	(366,499)
Assumed interests	(1,992,907)	(1,005,479)
Directors Fees	(767,662)	(164,120)
Intangible assets	(494)	(494)
Donations	(12,591)	(23,100)
Effect for fiscal inflation adjustment	—	994,118
Inventory	(8,383,287)	—
Effect of conversion—financial statements	14,220,299	(2,029,354)
Tax loss prescription	(3,825,838)	(685,589)
Defect in provision for Income Tax	(610,021)	(316,626)
Income tax expense	**10,378,684**	**(3,687,354)**

Note 29. Related Parties

a) As of December 31, 2015 and 2014, the amounts outstanding with companies and other related parties, classified as per the nature of the transaction, are as follows:

RECEIVABLES FROM RELATED PARTIES	Notes	Dec 31, 2015	Dec 31, 2014
ACCOUNTS AND OTHER RECEIVABLE			
AGL Capital S.A.		2,308,410	2,748,767
Individual shareholders in foreign currency	**38**	74.056	87,278
		2.382.466	2,836,045
OTHER RECEIVABLE			
Individual shareholders		2,130,741	2,013,045
PDG Realty S.A. Empreendimentos e Participações		—	2,472,925
Other shareholders		3,439,061	3,313,907
		5,569,802	7,799,877
Total receivables from related parties		**7,952,268**	**10,635,922**

OUTSTANDING SUMS DUE TO RELATED PARTIES	Dec 31, 2015	Dec 31, 2014
TRADE AND OTHER ACCOUNTS PAYABLES		
IRSA Inversiones y Representaciones S.A.	35,418,354	35,418,354
	35,418,354	35,418,354
ADVANCED PAYMENTS OF CLIENTS	**Dec 31, 2015**	**Dec 31, 2014**
Individual shareholders	935,600	596,789
Alto Palermo S.A.	236,645,106	187,813,576
IRSA Inversiones y Representaciones S.A.	60,287,590	60,287,590
Directors	686,647	914,261
	298,554,943	249,612,216
Total Outstanding sums due to related parties	**333,973,297**	**285,030,570**

b) As of December 31, 2015 and 2014, the most significant operations with companies and other related parties were as follows:

- Effects of transactions on cash flow

Related Company	Transaction	Dec 31, 2015	Dec 31, 2014
PDG Realty S.A. Empreendimentos e Participações	Payments on behalf of third parties	—	400,743
Individual Shareholders	Payments on behalf of third parties	117,696	288,194
Other shareholders	Payments on behalf of third parties	125,153	582,346
AGL Capital S.A.	Collections for services rendered	757,996	—
Individual Shareholders	Collections from advanced payments of clients	975,374	3,121,141
Directors	Collections from advanced payments of clients	3,315,339	—
Total		**5,291,558**	**4,392,424**

- Effects of transactions on the income balance

Related Company	Transaction	Dec 31, 2015	Dec 31, 2014
Individual Shareholders	Revenue from unit sales	541,837	23,237,634
Board Members	Revenue from unit sales	3,312,687	—
Individual Shareholders	Financial income	26,552	(715,164)
Board Members	Fees	(2,255,820)	(493,915)
Totals		**1,625,256**	**22,028,555**

c) As of December 31, 2015 and 2014, transactions with key personnel were as detailed below:

	Dec 31, 2015	Dec 31, 2014
Short-Term Salaries and social security	13,133,481	8,753,491
Social Security	2,106,005	1,638,568
Total	**15,239,486**	**10,392,059**

On December 13, 2011, the Board of Directors provided that its Senior Management departments, pursuant to Section 270 of the Argentine Corporate Law, are as follows:

- General Management
- Financial Management
- Operations Management
- Human Resources, Technology and Process Management

Thus, TGLT key personnel consist of the persons in charge of these Management Departments (four people).

Note 30. Breakdown by maturity of and interests rates on credits, deferred tax assets and debts

a) Classification of credits, deferred tax assets and debt balances according to maturity:

Credits/ Deferred Tax assets	**Dec 31, 2015**	**Dec 31, 2014**
Due within		
Up to 3 months	46,871,856	86,631,123
From 3 to 6 months	23,134,657	6,938,372
From 6 to 9 months	536,514	377,805
From 9 to 12 months	840,071	742,348
Over 12 months	345,323,538	318,293,874
No specific due date	203,083,870	127,157,696
Past-due		
Up to 3 months	28,531,003	12,086,984
From 3 to 6 months	1,305,540	—
From 6 to 9 months	186,033	—
From 9 to 12 months	88,834	—
Over 12 months	18,200	—
	649,920,116	**552,228,202**

	Dec 31, 2015	**Dec 31, 2014**
Debts (except Advanced payments of clients)		
Due within		
Up to 3 months	318,183,007	147,284,459
From 3 to 6 months	146,091,969	33,737,607
From 6 to 9 months	18,822,691	190,489,707
From 9 to 12 months	67,407,239	64,630,152
Over 12 months	382,641,304	410,020,326
No specific due date	333,267,061	171,456,322
Past-due		
Up to 3 months	28,629,152	1,386,916
From 6 to 9 months	141,928	—
From 9 to 12 months	139,787	—
	1,295,324,138	**1,019,005,489**

b) Credit, tax asset and debt balances accruing interest and otherwise are shown below:

	Dec 31, 2015	**Dec 31, 2014**
Credits / Deferred Tax assets		
Accruing interests	1,536,188	2,304,282
Non accruing interests	648,383,928	549,923,920
	649,920,116	**552,228,202**
Average nominal annual rate:	**8%**	**7%**

	Dec 31, 2015	**Dec 31, 2014**
Debts		
Accruing interests	448,353,579	382,435,470
Non accruing interests	846,970,559	636,570,019
	1,295,324,138	**1,019,005,489**
Average nominal annual rate:	**23%**	**20%**

Note 31. 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. and as explained in Note 14, Canfot S.A. attached a first-priority mortgage to the real estate on which it is building the "Forum Alcorta" project.

As of December 31, 2015 and 2014, the recorded value of the mortgaged property mentioned above totals $411,620,358 and $591,142,050 (including land value and construction in progress) and is included under the entry "Inventory" under current assets.

2. To secure the obligations assumed by the Company as a result of its purchase of the property where the "Astor Caballito" project is being developed, the Company furnished a first-priority mortgage in favor of IRSA Inversiones y Representaciones S.A. (hereinafter "IRSA") over said property up to the amount of US$12,750,000 principal, plus corresponding interests, costs and expenses. Additionally, and to secure that operation, the Company furnished a first-priority pledge in favor of IRSA over the shares it holds in Maltería del Puerto S.A (now merged with Canfot SA).

As a result of the merge and exchange of TGLT shares in Maltería del Puerto SA a first-priority mortgage of 3,571,397 Canfot SA shares was furnished in favor of IRSA.

As of December 31, 2015 and 2014, the recorded value of the mortgaged property mentioned above totals $115,429,796 and $114,356,845 (including land value and construction in progress), and is included under the entry "Inventory" under current assets.

3. 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, the Company furnished a first-priority mortgage in favor of Alto Palermo S.A. (hereinafter "APSA") over said property. The mortgaged amount is US$8,143,231.

As of December 31, 2015 and 2014, the recorded value of the aforementioned mortgaged property amounts to $292,689,918 and $439,647,643 (including the value of the plot and construction in progress) and is included under the entry "Inventory" under the current assets.

4. As a consequence of financing obtained by TGLT SA pursuant to the Financing Agreement for the financing of the construction of Astor Núñez with a Banco de la Ciudad de Buenos Aires and as explained in Note 14.1, the Company furnished a first-priority mortgage on the property where the Astor Núñez project is being developed.

As of December 31, 2015 and 2014 the recorded value of the mortgaged property mentioned above totals $354,453,825 and $170,897,440 (including land value and construction in progress), and is included under the entry "Inventory" under current assets.

5. To secure the obligations assumed by the Company as a result of its purchase of the property where the Brisario project created by Proa and Metra Puerto Norte will be developed, the Company furnished a first-priority mortgage in favor of Servicios Portuarios S.A over said property. The mortgaged amount is US$24,000,000.

As of December 31, 2015 and 2014, the outstanding debt was $202,052,068 and $132,635,405, respectively, and is included under "Accounts payables" under non-current liabilities.

As of December 31, 2015 and 2014, the recorded value of the mortgaged property mentioned above totals $384,125,624 and 290,391,812 (including land value and construction in progress), and is included under the entry "Inventory" under current assets.

6. As mentioned in Note 33.2 and to secure obligations assumed by the Company as a result of the acquisition of Green Urban Homes SA where Metra Devoto Project will be developed, the Company furnished a first-priority mortgage on the real estate property purchased in favor of the previous owners of the Company. The mortgaged amount is US$4,800,000.

As of December 2015 and 2014, the recorded value of the aforementioned mortgaged property amounts to $67,656,250 and $56,078,865 (including the value of the plot and construction in progress) and is included under the entry "Inventory" under the current assets.

7. 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 seq. 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.

The following is a description of the financing obligations secured under the Stock Pledge Agreements:

I. The financing policy of Marina Río Luján S.A. will be established by the Board of Directors with a view of attaining the most efficient financial and tax structure for the development of this real estate project. These policies will be implemented substantially in the same condition as would have been obtained in the open 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 such third party financing is not disbursed, each party will provide financing to the other for up to US$4,000,000.

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

8. As a result of certain demolition activities conducted in September 2006 on the premises of the "Astor Nuñez" urban project, 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 approximately $440,000.

On August 24, 2012, the Court granted a motion to dismiss filed by the Company based on the statute of limitations and such court decision was appealed by the plaintiff. The case has been sent to the Court of Appeals and is now awaiting a decision.

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 will be used solely to pay any obligations arising out of the claim filed against the Company.

Consequently, current assets as of December 31, 2015 and 2014 include the sums of $2,584,383 and $1,662,510, respectively, under the entry "Cash and Cash Equivalents", and the sums of $2,584,383 and $1,662,510, respectively, included in current liabilities under the entry "Other accounts payables."

9. Disposal of Monroe Real Estate is restricted due to a purchase option of such real estate delivered to a client as collateral for the payment of the option owned by the client, to resell to the Company a number of functional units acquired. The Board of Directors believes there is a low likelihood that such option will be executed by the client.

Note 32. Litigation

32.1. Health and Safety

During the last quarter of fiscal year 2013, Maltería del Puerto S.A. was summoned three times as joint-and-several guarantor of Constructora Sudamericana S.A. for a subcontractor's alleged violation of safety and health obligations. The company submitted the requisite replies. The Ministry of Labour and Social Security of the Province of Santa Fe has not issued any resolution regarding these proceedings.

As of the date of these financial statements, we cannot determine whether the defendants will be held liable, or if the adverse resolution, if any, will extend to Maltería del Puerto S.A. as the owner of the property. If monetary penalties are imposed, they must be paid, regardless of if an appeal is filed with the Labour Court of Appeals for the Province of Santa Fe.

The Board of Directors of the Company and its legal counsel estimate that the resolution of said claims should not generate significant material losses for the Company. As a result, as of December 31, 2015, no charges have been recognized in relation to this violation.

32.2. Labor Claims

On August 3, 2013, the Company was served, in its capacity as joint-and-several guarantor, with a labor claim. An administrative employee of Ingeniero Milia SA ("IGM") demanded $124,500 from IGM and five other real estate developers, including Maltería del Puerto S.A. The case was submitted to Labour Court No 3 of the City of Rosario, Santa Fe. On September 10, 2013, the Company submitted the requisite replies. The case is currently being examined by the Court.

On October 30, 2013, the Company was served, in its capacity as joint-and-several guarantor, with a labor claim in which a construction worker sued IGM. The case was submitted to Labour Court No 2 of the City of Rosario, Santa Fe, for an amount of $123,513. On November 14, 2013 the Company submitted the requisite replies. The case is currently being examined by the Court.

In August 2014, Maltería del Puerto (now merged with Canfot SA) was served, in its capacity as joint-and-several guarantor, with a labor claim related to an employee of Rubén Bondino SRL. The case was submitted to Labour Court No 4 of the City of Rosario, for an amount of $23,526 plus other items to be judicially determined. On September 30, 2014, the Company submitted the requisite replies. The case is currently being examined by the Court.

On February 6, 2015, Maltería del Puerto (now merged with Canfot SA) received a summons for March 25, 2015 related to the demand "MIGUEL; GONZALO JAVIER c/MARMOLES MATO SRL AND OTHER ON PREPARATORY LEGAL PROCEEDINGS" (File No 1864/14). This is a labor claim served to Mármoles Amato Rubén Antonio Amato, Constructora Sudameiricana and Canfot SA. As of the date of these financial statements, the amount of the claim is unknown.

The Board of Directors of the Company and its legal counsel estimate that the resolution of the claims described above are not likely to generate significant material losses for the Company. As a result, as of December 31, 2015 no charges have been recognized in relation to this matter.

32.3. Ingeniero Guillermo Milia S.A. (IGM)

In February 2012, IGM (a company hired for the provision of concrete and masonry services for Forum Puerto Norte urban project) 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 $9,085,156 and $1,293,689, respectively. On September 12, 2012, the Court disregarded the proof of claims filed by Maltería del Puerto as unsecured creditor and declared its credits inadmissible. For this reason, on October 12th, 2012, Maltería del Puerto filed a motion for review in the proceedings. On December 27, 2012, TGLT S.A. was served notification of the IGM SA commencement of review of its credit. TGLT submitted a reply on February 12, 2013.

On December 17, 2014, the judge declared the credit of Maltería del Puerto S.A. as admissible for the amount of $8,341,910.35.

As of the date of issuance of these financial statements, IGM SA is cancelling 40% of each commercial loan in a ten-installment annual payment plan.

As a consequence of the aforementioned, Canfot SA Board of Directors decided to set up an allowance for the amount of $4,650,167 included under the entry "Other receivables" within the current assets.

32.4. Tax claims

32.4.1. 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 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 $601.800 (including principal and interest), to be paid in 60 monthly instalments.

As of December 31, 2015 and 2014, the outstanding liability totaled $103,961 and $205,153 (principal only), included in the entry “Other tax burden” under current liabilities totaling $103,961 and $101,192 and under non-current liabilities totaling $103,961 for 2014.

32.5. Astor Palermo building project/Preliminary Injunction

On June 9, 2011, the Court for Administrative and Tax of the Autonomous City of Buenos Aires No. 9, Secretariat No. 18, developed a precautionary measure in the file No. 41,544, called “Asociación Amigos Alto Palermo c / Government of the Autonomous City of Buenos Aires s / Amparo”. This measure suspended the construction work of the building fronting on Beruti No. 3351/59 between Bulnes street and Coronel Diaz avenue of Buenos Aires.

On April 26, 2012, the Appeals Chamber decided to reverse the court ruling and have the lifting of the precautionary measure dictated timely, suspending the continuation of work on the “Astor Palermo”. On June 30, 2015 the Judge decided to file the proceedings.

32.6. Astor Caballito building project /Preliminary Injunction

On August 14, 2012, the Court of Appeals on Administrative and Tax Matters of the City of Buenos Aires, enforced injunctions in two related proceedings involving the Astor Caballito Project, brought by certain neighbors associations against us questioning the validity of the construction plans. Such injunctions ordered the suspension of construction on the premises of Astor Caballito. We brought actions seeking the revocation of these decisions, which were further denied by the Supreme Court of the City of Buenos Aires. As a result, construction work on this project is currently suspended. On November 30, 2015, we were notified that the judge had decided in favor of the counterparties in the underlying cases against us. We appealed this decision on December 3, 2015 and in May 2016, the Court of Appeals ruled in favor of the counterparties. Accordingly, on June 16, 2016, we appealed the ruling in order to seek a final judgement from the Superior Court of the City of Buenos Aires on the issue. As of the date of this prospectus. the appeal has not been granted. Should the latter (and, eventually, the Federal Supreme Court of Justice) decide in favor of the counterparties, we will have to redesign the project to adapt it to the guidelines established by the current building code of the City of Buenos Aires which limits the height of new buildings in the area to seven floors plus ground floor, with an estimated total sellable area of 15,000 sqm. Our agreements with Inversiones y Representaciones Sociedad Anónima, or IRSA, entered into in connection with the barter acquisition of the property, provide that if the potential size of the project is reduced due to a conflict with the plans, IRSA’s right to future units in the project is proportionally reduced.

32.7. Other claims

- On December 2, 2013 Maltería del Puerto (merged with Canfot SA) was notified about a claim before the General Arbitration Tribunal of the Rosario Stock Exchange for breach of contract. The claim relates to an alleged delay in the delivery of the functional unit and lack of under floor heating in the unit. The amount of the claim is $350,000. As of the date of issuance of these financial statements, the claim is in the discovery period.
- On November 14, 2013, Maltería del Puerto was summoned before the General Arbitration Tribunal of Rosario Stock Exchange as per the claim “Inversora Araberta c/ Maltería del Puerto S.A for Breach of Contract File 3/2013”, and the amount claimed is US$500,000. The reason for the claim is the intrinsic distortion of the purchased functional unit. On January 10, 2014 the Company submitted the reply. On August 10, 2015, the Company reached a transactional agreement which could not be satisfied due to the opinion to the contrary of the remaining owners of Forum Puerto Norte. As of December 31, 2015, no charges have been recognized in relation to this matter.
- On June 25, 2013, Maltería del Puerto SA initiated an extrajudicial mediation against Aseguradora de Cauciones Compañía de Secures to claim the collection of payment under insurance policies in the amount of 823,626, and 823,686, or satisfy the mediation requirement for future claims related to patrimony. On August 13, 2013, the mediation process was finished without the parties having reached an agreement. The claim has been initiated as a consequence of IGM’s bankruptcy protection filing. IGM abandoned the construction of Astor Caballito without returning financial advances granted by TGLT SA (the subject of the above-referenced insurance policies claim) among other breaches of the construction contract and other damages to the Company. Considering the status and nature of the proceedings, the claim result is uncertain. As of the date of the issuance date, there is no payable sum nor is it possible to reasonably estimate the amounts that the Company may face if it is not successful in the mediation. In March 2014, the demand was filed and the claim is in the discovery period.

- In August 2014, mediation hearings in relation to the claim Blegger David a/ Maltería del Puerto SA (currently merged with Canfot SA) for damages ended. The reason for the claim is the presence of leakages and breakages in the functional units. The amount claimed is $150,000. As of the date of these financial statements, the claimant will soon file the complaint. Preliminary injunctions have been issued, then appealed and replaced by a caution policy. As of December 31, 2015, no charges have been recognized in relation to this matter.

- In February 2014 Maltería del Puerto SA was served a judicial order related to the claim Abelrik Edgardo Elias a/Maltería del Puerto S.A. f/ Evidence Assurance, before the 4th Civil and Commercial Trial Court by which the claimant alleges that Forum Puerto Norte did not meet the conditions to fulfill delivery of his functional unit. The Company replied in March 2014, producing the pertinent documentation. In December 2015, the claimant took possession of the units and committed by written agreement to pay the amount of $150,000, thus ending the claim.

- On March 12, 2015 the Company filed a claim against Escalum Investment SA for damages derived from the delivery of a broken container. The amount claimed is $71,753. As of the date of these financial statements, the file is open for evidence production. As of December 31, 2015, no charges have been recognized in relation to this matter.

- On December 10, 2015, Canfot SA notified Chubb SA of a claim for the collection of advance policies and performance bonds derived from the contractor NEMA TECNICA SRL's breach of performance. On February 4, 2016, CHUBB delivered a reply. As of the date of these financial statements, the file has not been opened for evidence production.

- On October 10, 2014, the National Executive Power declared by Decree 1762/2014 that the platform named "La Anguilera" in Tigre, Province of Buenos Aires, was a national historical place. On February 2, 2015, the Company filed a motion for reconsideration before the National Executive Power. As per the nature of the administrative proceeding and the present situation of such motion it is not possible to foresee the result of the process. Likewise, there is no amount specified in the claim. The Board of Directors believes that the resolution will be favorable to the Company.

- In the claim "Creciente Marcela Araceli and others vs. TGLT SA and others" neighbors of El Garrote neighborhood—in the proximities of Venice—were affected by the displacement of rain waters during TGLT SA's construction of the Venice development. There is no amount specified in the claim. TGLT SA appealed on November 25, 2014. The Board of Directors believes that TGLT's arguments are strong and that the resolution will be favorable to the Company.

Note 33. Interest in other companies—Acquisitions and transfers

33.1. Merger between companies: Canfot S.A. and Maltería del Puerto S.A.

On June 16, 2014, the Ordinary and Extraordinary General Shareholders' Meeting of Maltería del Puerto S.A. approved a capital increase through the partial capitalization of the irrevocable capital contribution made by TGLT in the amount of $33,427,500. This led to a change in the shareholdings of Maltería del Puerto SA, with TGLT becoming the holder of 99.4% of the shares of Maltería del Puerto SA and Juan Carlos Rosetti becoming the holder of 0.6% of the shares. On the same date, the Boards of Directors of Maltería del Puerto SA and Canfot SA (both TGLT SA controlled companies) approved the Commitment to Merge both companies with Canfot SA as the surviving company and Maltería del Puerto SA ceasing to exist. Such merger was registered with the IGJ on March 30, 2015.

33.2. Merger between companies: TGLT S.A. and Green Urban Homes S.A.

On December 2, 2014, TGLT signed a Purchase Agreement by means of which TGLT SA acquired 100% of the shares of "Green Urban Homes SA" (GUHSA). GUHSA's main asset was the ownership of two real estate properties: (1) a farm house on Mercedes Street between Santo Tomé and Arregui, and (2) a farm house on 4261 Santo Tomé Street, with a total area of 6,227 square meters, in the City of Buenos Aires. The total purchase price of the shares of GUHSA acquired by TGLT SA under this Purchase Agreement was US$4,800,000, payable as follows: (a) US$500,000 on January 6, 2015; (b) US$700,000 on January 5, 2016; (c) US$1,200,000 on January 5, 2017; (d) US$1,200,000 on January 5, 2018; and (e) US$1,200,000 on January 5, 2019.

As of December 31, 2015 and 2014, the sum to be cancelled amounted to $56,072,007 and $41,088,000, respectively, shown under "Other payables" within current liabilities for the amount of $9,128,007 and $4,280,000, respectively, and within the non-current liabilities for the amount of $46,944,000 and $36,808,000, respectively.

To secure the obligations assumed for the payment of the purchase price of shares, GUHSA (as guarantor) furnished a first-priority mortgage in favor of the sellers (as creditors) and at their satisfaction, over said property and regarding the obligations assumed by TGLT under the Purchase Agreement.

On March 31, 2015, the TGLT SA Board of Directors and GUHSA Board of Directors approved the Commitment to Merge, with TGLT as the surviving company and Green Urban Homes SA ceasing to exist. The benefits of this merger are the simplification of TGLT SA and GUHSA's administrative structure, the benefits of centralized management and the elimination of double administrative structures with its subsequent double costs. The date for the reorganization was January 1, 2015.

On September 25, 2015, the Shareholders' Meetings of both companies approved the merger and authorized the Company's Board of Directors to approve the Definitive Merger Agreement. As of the date of these financial statements, the transaction is pending approval from the regulator.

Note 34. 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 instruments used to finance real estate projects and for liquidity investments. The Company's management regularly analyzes risks to report to the Board of Directors, and devises risk management strategies and policies. Likewise, it monitors that the practices adopted throughout the Company are consistent with established policies. It also monitors current policies and adapts or modifies them based on market changes and emerging Company needs.

34.1. 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 fluctuation of construction and material prices and labor rates. However, the Company uses a set of strategies to prevent losses, for example, adjusting the price lists monthly to reflect at least the projected increase of construction costs published by Chamber of Argentine Construction Companies (Cámara Argentina de la Construcción—CAC).

Risks of demand of our products

Financing for our real estate projects depends mostly on the amount of presales. The demand for our products depends on several external factors. For this reason, the Company Management monitors the pace of sales, which allows project financing.

Risk of suppliers' contract default

The Company thoroughly evaluates the contractors, both before and during performance of the contract, to reduce the risk of contractual default.

Note 34. Risks—financial risk management

34.2. Financial Risks

Risks related to financing

TGLT accesses capital markets to finance additional costs with respect to project construction. FIX SCR SA Agente de Calificación de Riesgo (former Fitch Argentina Calificadora de Riesgo SA) has recently granted the Company a long-term rating of BBB (investment grade).

Risk related to exchange rates

TGLT develops and sells its products in Argentina and Uruguay and consequently is exposed to risks arising from exchange rate fluctuations.

In particular, TGLT SA has debts in foreign currencies, such as the mortgaged loan granted by Canfot SA for Forum Alcorta project and corporate notes. Because of this, TGLT SA performed financial coverage transactions between the Argentine peso and the US dollar during this period to minimize the risks related to exchange rates of its financial liabilities.

Risks related to interest rates

TGLT is subject to risks related to interest rates in its investment portfolio and its liabilities. The Company uses a mix of fixed and variable rate debt together with the strategy in its investment portfolio. Periodically, the Company enters into derivative financial agreements with respect to exchange rates and/or interest rates to mitigate the exposure to exchange rate or interest rate changes.

Risk originated in credits

The risks originated in credits may arise in cash and cash equivalents, deposits with banks and financial institutions, as well as with credits granted to clients, including other assumed credits and transactions. The Company actively controls the credit reliability of its liquid assets instruments and its counterparts related to derivate and insurance in order to minimize credit risks. Purchase agreements include strong penalties for breach in payment fulfillment, bringing about high costs for our clients and consequently, we do not register a high level of delay or failure in payment.

The Company finances its projects mainly by means of the pre-sale of units. Purchase agreements with our clients include, in general, a payment plan beginning with the agreement subscription and ending with the delivery of the finished product, with installments along the building process. Any irregularity or delay in payment constitutes a risk for project financing.

Credit risk related to the investment of cash and cash equivalent balances is managed directly by the Treasury. The Company maintains deposits in accredited financial entities.

Counterparts' risks

The credit risk related to the cash and cash equivalents investment is directly managed by the treasury. The Company's policy regarding financial investments is conservative, favoring deposits in financial institutions considered and with excellent ratings, as well as investment funds that hold its portfolio in instruments of very low volatility and high liquidity.

The counterparts' referred to derivatives and cash transactions are limited to high credit quality financial institutions, exclusively whit the qualification "investment grade".

Liquidity risks

TGLT's financing strategy seeks to preserve adequate financing resources and access to additional liquidity. During 2014 and 2015, TGLT has had cash flows derived from transactions as well as bank and capital market financing to finance its transactions.

Management keeps enough cash and cash equivalents to finance usual levels of transactions and believes that TGLT has adequate access to the market to finance short-term working capital needs.

In February, 2016, following the end of the fiscal year ended December 31, 2015, the Company issued corporate notes for an amount of $96,828,323 that will mature in 18 months. The Company expects to receive collections for sales already settled, in installments as possession payments, as well as income from new sales and disbursements from existing short-term financial debt or new debt.

Note 35. Financial instruments

As of December 31, 2015 and December 31, 2014, the Company and its related parties have carried out the following commercial transactions:

- *Shown in Assets:*

TGLT SA carried out transactions between the Argentinian peso and the US dollar to minimize the risks brought about by exchange rates on its corporate notes in the local market.

As of December 31, 2015, these transactions have been cancelled and as of December 31, 2014, the amount is included in “Financial Instruments” amounted to $4,107,049.

- *Shown under Liabilities:*

Through its subsidiary FDB S.A. (Uruguay), the Company performs operations of financial coverage between the US dollar and the Indexed Unit (an account unit in Uruguay updated by inflation) to minimize the risks involved in exchange rates for its Project Forum.

Puerto del Buceo. The Company has performed transactions in which it obtained financial instruments in US dollars and has invested such amounts in Letras de Regulación Monetarias denominated in IUs issued by the Central Bank of Uruguay, equaling the maturity dates of both instruments. The Company also has a time deposit in Uruguayan pesos to secure such instruments.

As of December 31, 2015, such instruments have been fully cancelled and as of December 31, 2014, the amount mentioned in the preceding paragraph is included in “Financial Instruments” in the amount of $6,245,796.

Note 36. Segment information

36.1. Introduction

The Company has adopted IFRS 8—Operating Segments, which provides that operating segments are identified on the bases of internal reports regarding the company components regularly reviewed by the Board of Directors, the main operating 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: Forum Puerto Norte (FPN), Forum Alcorta (FFA), Astor Palermo (ASP), Astor Caballito (ASC), Astor Núñez (ASP), Venice (VEN), Forum Puerto del Buceo (FPB), Metra Puerto Norte (MPN), Faca Foster (FAF) (the last two result from the division of an ex FACA project), and Metra Devoto (MDV) among others. Likewise, it has been the Company’s decision to consolidate less significant projects within the description of income and assets and liabilities composition, considering them non-reportable segments as per IFRS regulations.

Company management uses the indicators summarized in the following sections:

36.2. Information on secured sales and collections

Information in million pesos.

	FPN	FFA	FPB(1)	ASP	ASN	VEN	Others(2)	TOTAL
SALES								
(1) COMMERCIALIZED UNITS								
In the year ended on 31.12.2015	2	19	58	15	55	90	75	314
In the year ended on 31.12.2014	6	8	43	17	49	45	75	243
Accrued as to 31.12.2015	452	147	214	205	248	279	403	1.948
(2) SECURED SALES								
In the year ended on 31.12.2015	2,5	237,0	191,2	50,4	128,4	167,2	104,6	881,3
In the year ended on 31.12.2014	11,1	92,7	206,4	52,1	83,5	75,0	90,5	611,3
Accrued as to 31.12.2015	432,4	1.014,6	863,2	361,4	403,8	460,3	505,0	4.040,7
(3) ADVANCES OF CLIENTS(*)								
In the year ended on 31.12.2015	(31,4)	(166,9)	621,3	(194,9)	178,9	154,3	50,9	612,2
In the year ended on 31.12.2014	(123,8)	106,3	199,8	123,4	51,0	43,2	83,9	483,8
Accrued as to 31.12.2015	11,5	326,0	1.062,4	270,2	333,6	290,8	203,8	2.498,4
(4) REVENUE PER SALES								
In the year ended on 31.12.2015	38,8	487,4	—	292,2	—	—	10,6	829,0
In the year ended on 31.12.2014	216,6	171,8	—	4,9	12,7	—	9,4	415,4
Accrued as to 31.12.2015	418,7	673,0	—	297,1	12,7	—	—	1.401,5
(5) SALES RECEIVABLE								
Accrued as to 31.12.2015	2,5	25,0	—	3,6	—	—	—	31,1
Accrued as to 31.12.2014	3,2	12,7	—	1,9	—	—	0,1	18,0

Note: there are no external clients representing more than 10% of total secured sales.

(1) The only project developed abroad (Montevideo, Uruguay).

(2) Includes Astor Caballito, Metra Puerto Norte, Proa (former FACA Foster), Metra Devoto and Other projects.

(*) Negative values represent delivery of Functional units.

36.3. Information on Inventory and investment budget

	FPN	FFA	FPB(1)	ASP	ASN	VEN	Others(2)	TOTAL
INVENTORY								
(7) INVENTORY								
Accrued as of 31.12.2014	44,2	591,1	450,3	439,6	170,9	227,1	487,0	2.410,3
Accrued as of 31.12.2015	15,1	411,6	1.071,2	292,7	354,5	402,4	569,1	3.116,6
Accrued as of 31.12.2015 (net of interests)	15,1	368,8	1.071,2	280,0	304,0	391,8	569,1	3.000,1
(8) COST OF SOLD PRODUCTS								
In the year ended on 31.12.2015	38,1	358,8	—	255,7	—	—	2,7	655,2
In the year ended on 31.12.2014	198,0	128,0	—	4,1	16,3	—	2,3	348,7
Accrued as of 31.12.2015	505,0	486,8	—	259,8	16,3	—	—	1.267,9
Accrued as of 31.12.2015 (net of interests)	505,0	431,9	—	222,6	13,8	—	—	1.173,4

(1) It considers only the accrued inventory proportional to the project launched stages.

(2) It includes Astor Caballito, Metra Puerto Norte, Proa, Metra Devoto and Other projects.

36.4. Information on the Income Balance, Assets and Liabilities

Fiscal year ended on December 31, 2015	FPN	FFA	FPB	ASP	ASN	VEN	Others(1)	TOTAL
(LOSS) INCOME BALANCE								
Gross income per segment (4.a - 8.a)	**0.6**	**128.7**	**—**	**36.5**	**—**	**—**	**8,0**	**173.8**
Gross Margin	*1.6%*	*26.4%*	*—*	*12.5%*	*—*	*—*	*74.9%*	*21%*
Commercialization and management expenses	—	—	—	—	—	—	—	*(159.9)*
Financial interests	—	(31.7)	—	(19.5)	—	—	—	(51.3)
Other financial results and for holding, net	—	—	—	—	—	—	—	(20.3)
Other expenses	—	—	—	—	—	—	—	(0.4)
Loss for the year before income tax	—	—	—	—	—	—	—	(58.0)
FINANCIAL STATEMENT								
ASSETS								
Inventory								
In building process	—	—	1,071.2		354.5	402.4	569.1	2,397.1
Finished units	15.1	411.6	—	292.7	—	—	—	719.4
Assets per segment	**15.1**	**411.6**	**1,071.2**	**292.7**	**354.5**	**402.4**	**603.4**	**3,116.6**
Trade and other receivables	2.5	25.0	—	3.6	—	—	—	31.1
Goodwill	—	79.4	—	—	10.6	21.5	—	111.4
Other current assets	—	—	—	—	—	—	—	368.6
Other non-current assets	—	—	—	—	—	—	—	390.7
TOTAL ASSETS								**4,018.4**
Advances in local and foreign currency	18.5	319.1	1,062.4	270.2	333.6	290.8	203.8	2,498.4
Short-term financial debt	—	83.5	92.2	—	42.5	17.7	156.1	392.0
Long-term financial debt	—	—	—	—	—	—	58.7	58.7
Other current liabilities	—	—	—	—	—	—	—	529.7
Other non-current liabilities	—	—	—	—	—	—	—	324.4
TOTAL LIABILITIES								**3,803.3**

Fiscal year ended on December 31, 2014	FPN	FFA	FPB	ASP	ASN	VEN	Others(1)	TOTAL
(LOSS) INCOME BALANCE								
Gross income per segment (4.a - 8.a)	**18.5**	**43.8**	**—**	**0.9**	**(3.6)**	**—**	**7.2**	**66.7**
Gross Margin	*8.6%*	*25.5%*	*—*	*17.4%*	*(28.6)%*	*—*	*76.1%*	*16%*
Commercialization and management expenses	—	—	—	—	—	—	—	(107.1)
Financial interests	—	—	—	—	—	—	—	—
Other financial results and for holding, net	—	—	—	—	—	—	—	26.6
Other expenses	—	—	—	—	—	—	—	(0.5)
Loss for the year before income tax								**(14.1)**

Fiscal year ended on December 31, 2014	FPN	FFA	FPB	ASP	ASN	VEN	Others(1)	TOTAL
FINANCIAL STATEMENT								
ASSETS								
Inventory								
In building process		407.6	450.3	439.6	170.9	227.1	494.8	2,190.30
Finished units	36.4	183.5	—	—	—	—	—	219.9
Assets per segment	**36.4**	**591.1**	**450.3**	**439.6**	**170.9**	**227.1**	**494.8**	**2,410.3**
Trade and other receivables	3.2	12.7	—	1.9	—	—	0.1	18.0
Capital gain	—	79.4	—		10.6	21.5	—	111.4
Other current assets	—	—	—	—	—	—	—	242.4
Other non-current assets	—	—	—	—	—	—	—	328.7
TOTAL ASSETS								**3,144.8**
Advances in local and foreign currency	42.9	492.9	441.1	421.1	154.7	136.5	153.0	1,842.2
Short-term financial debt	—	152.7	—	—	0.1	8.6	130.0	291.4
Long-term financial debt	—	—	—	—	16.4	—	76.5	92.9
Other current liabilities	—	—	—	—	—	—	—	320.8
Other non-current liabilities	—	—	—	—	—	—	—	314.0
TOTAL LIABILITIES								**2,861.3**

(2) It includes Astor Caballito, Metra Puerto Norte, Proa, Metra Devoto and Other projects.

Note 37. Earnings per share

Basic and diluted earnings per share

The results and average estimated number of ordinary shares used for calculating basic earnings per share are the following:

	Dec 31, 2015	Dec 31, 2014
Result used for calculating earnings per basic share	(45,076,829)	(18,712,938)
Average estimated number of ordinary shares for purposes of earnings per basic share (all estimations)	70,349,485	70,349,485
Earnings per share	**(0.64)**	**(0.27)**

The average estimated number of basic shares was 70,349,485, the same as the average estimated number of diluted shares, as there were no debt securities convertible to shares as of December 31, 2015 and 2014.

Note 38. Assets and liabilities in foreign currency

	Dec 31, 2015			Dec 31, 2014
	Class and amount in foreign currency	Exchange rate	Total amount accounted for in pesos	Total amount accounted for in pesos
ASSETS				
Current assets				
Cash and cash equivalents:				
Cash	US$2,772	**12.940**	36,007	23,149
	UYU45,618	**0.434**	19,798	—
			55,805	23,149
Banks	US$1,122,457	**12.940**	14,572,580	9,378,935
	UYU537,610	**0.434**	233,323	539,156
			14,805,903	9,918,091
Certificate of deposits	US$198,188	**13.040**	2,584,383	1,662,510
Mutual funds	US$467,621	**12.940**	6,051,016	15,083,424
Bonds and titles	US$4.695.324	**12.940**	60,957,008	—
Accounts and other receivables:				
Debtors per sale of goods	US$1,762,985	**12.940**	22,813,020	9,074,815
Debtors for services rendered	US$383	**12.940**	4,956	894,129
Other receivables:				
Value added Tax	UYU109,959,032	**0.434**	47,722,207	18,554,605
Net Worth Tax	UYU8,678,097	**0.434**	3,766,294	3,398,159
Refundable Tax credits	UYU—	**0.434**	—	110,535
Other taxes	UYU—	**0.434**	—	8,300
Advance payments to work suppliers	US$1,310,627	**12.940**	17,021,919	81,914
	UYU4,623,930	**0.434**	2,006,786	3,456,628
			19,028,705	3,538,542
Security deposits	US$54,600	**12.940**	707,004	380,700
Insurance to be accrued	US$126,177	**12.940**	1,634,969	1,107,906
	UYU82,849	**0.434**	35,956	22,037
			1,670,925	1,129,943
Expenses to be accounted for	US$3,706	**12.940**	48,141	—
Collectable fund for equipment	US$257,560	**12.940**	3,332,822	1,553,227
Advance payments for the purchase of real estate properties	US$1,500,000	**12,940**	19.410.000	—
Sundry	US$1,364	**12.940**	17,718	114,766
Receivables from related parties:				
Accounts receivable	US$5,723	**12.940**	74,056	87,278
Total current assets			203,049,963	65,532,173
Non current assets				
Other receivables:				
Security deposits	US$—	**12.940**	—	81,610
	UYU112,929	**0.434**	49,011	6,654
			49,011	88,264
Insurance to be accrued	US$—	**12.940**	—	445,342
Deferred Tax assets:				
Federal Tax	UYU—		—	143,339
Total non-current assets			49,011	676,945
Total assets			**203,098,974**	**66,209,118**

	Dec 31, 2015			Dec 31, 2014
	Class and amount in foreign currency	**Exchange rate**	**Total amount accounted for in pesos**	**Total amount accounted for in pesos**
LIABILITIES				
Current Liabilities				
Trades payable:				
Suppliers	US$744,760	**13.040**	9,676,702	1,717,143
	UYU62,567,721	**0.434**	27,154,391	10,104,991
			36,831,093	11,822,134
Deferred checks	US$691,916	**13.040**	8,987,989	—
	UYU1,331,444	**0.434**	577,847	—
			9,565,836	—
Provision for expenses	US$73,396	**13.040**	953,414	92,990
	UYU116,730	**0.434**	50,661	401,206
			1,004,075	494,196
Provisions for works	US$163,273	**13.040**	2,120,916	482,719
	UYU11,405,759	**0.434**	4,950,099	2,242,174
			7,071,015	2,724,893
Insurance payable	US$130,664	**13.040**	1,703,863	968,552
Contingency fund	US$121,264	**13.040**	1,576,024	1,050,259
	UYU13,184,221	**0.434**	5,721,948	1,849,734
			7,297,972	2,899,993
Building permit	UYU50,642,753	**0.434**	21,978,955	19,272,924
Creditors per real estate purchase	US$15,794,790	**13.040**	205,964,067	132,635,405
Short-term financial debt:				
Short-term financial debt received	US$8,425,284	**13.040**	109,865,697	8,624,200
Mortgage-backed bank borrowings	US$1,973,095	**13.040**	25,729,155	85,884,333
Corporate notes	US$2,094,420	**13.040**	27,311,236	16,856,614
Financial instruments:				
Financial instruments:	US$—	**13.040**	—	245,234,756
	UYU—	**0.434**	—	(238,988,960)
			—	6,245,796
Salaries and social security:				
Fees and wages payable	UYU2,311,832	**0.434**	1,003,335	162,201
Social Security payables	UYU258,843	**0.434**	112,338	647,113
13th Salary and holidays accrued	UYU861,832	**0.434**	374,035	316,955
Other tax burdens:				
Income Tax	UYU—	**0.434**	—	346
Withholdings and collections to be deposited	UYU1,661,733	**0.434**	721,192	317,495
Outstanding sums due to related parties:				
Borrowings	US$1,356,046	**13.040**	17,682,838	8,624,200
Advanced Payments of clients				
Other accounts payable:				
Sundry creditors	US$198,189	**13.040**	2,584,383	1,662,510
Debt per purchase of shares	US$700,001	**13.040**	9,128,007	4,280,000
Current tax liabilities				
Net Income Tax in foreign currency	$U 100,956	**0.434**	43,815	—
Total current liabilities			**485,972,907**	**304,439,860**
Non-current liabilities				
Trades payable:				
Building permit	UYU20,231,705	**0.434**	8,780,560	9,566,478
Long-term financial debt:				
Corporate notes	US$—		—	46,540,837
Other payables:				
Debt by purchase of shares	US$3,600,000	**13.040**	46,944,000	36,808,000
Total non-current liabilities			55,724,560	92,915,315
Total liabilities			**541,697,467**	**397,355,175**

US$: United States dollars. UYU: Uruguayan pesos.

Note 39. Investment in property under construction

On December 23, 2014, TGLT partnered with a group of independent investors and Bayer SA, and signed a Purchase Agreement by which they purchased real property with improvements from Bayer located in Belgrano neighborhood, City of Buenos Aires, on 1300 Monroe Street, 1300 Blanco de Encalada Street and 2400 Miñones Street, with a total area of 10,163 square meters. The value of such property amounts to US$12,626,261. TGLT's share in this real estate acquisition represents 31.36% of the total.

Disposal of Monroe Real Estate is restricted, as mentioned in note 31.9.

As of December 31, 2015 and 2014, investment property under construction was $34,326,685 and $33,982,480, respectively.

Note 40. Determination of fair value

A. Financial Instruments per category

The following are financial assets and liabilities per financial instrument category and a reconciliation with the corresponding line shown in the consolidated financial statements.

The financial assets and liabilities as of December 31, 2015 and 2014 were as follows:

Concept	Financial Liabilities at their fair value with changes through profit or loss	Financial Liabilities valued at their depreciation cost	Total
FINANCIAL LIABILITIES			
Trade and other accounts payables	—	424,481,742	424,481,742
Financial debt	276,076	450,479,346	450,755,422
Other accounts payable	—	59.372,160	59,372,160
Outstanding sums with related parties	—	35,418,354	35,418,354
Total liabilities as of December 31, 2015	**276,076**	**969,751,602**	**970,027,678**

Concept	Financial Assets at their fair value with changes through profit or loss	Depreciated Cost	Investments held to maturity	Total
FINANCIAL ASSETS				
Cash and cash equivalents	6,387,877	48,319,081	1,662,510	56,369,468
Financial Instruments	4,107,049	—	—	4,107,049
Accounts and other receivable	—	18,021,017	—	18,021,017
Other credits	—	206,905,689	—	206,905,689
Receivables from related parties	—	11,098,517	—	11,098,517
Total assets as of December 31, 2014	**10,494,926**	**284,344,304**	**1,662,510**	**296,501,740**

Concept	Financial Liabilities at their fair value with changes through profit or loss	Financial Liabilities valued at their depreciation cost	Total
FINANCIAL LIABILITIES			
Accounts and other accounts payables	—	254,860,955	254,860,955
Financial debt	—	384,296,792	384,296,792
Financial Instruments	6,245,796	—	6,245,796
Other accounts payable	—	43,249,024	43,249,024
Outstanding sums with related parties	—	35,418,354	35,418,354
Total liabilities as of December 31, 2014	**6,245,796**	**717,825,125**	**724,070,921**

A. Financial Instruments per category

In the case of Sales receivable, other receivable and receivables from related parties, book value is considered to be near the fair value as such credits are substantially short-term.

In the case of trades payable, financial debt, other accounts payable and intercompany balances, their book value is considered to be near their market value.

B. Determination of fair value

The Company has classified assets and liabilities measured at their reasonable value after their initial recognition in three levels of reasonable values, based on the relevance of the information used to determine them:

Level 1: measurement of reasonable values is derived from quotation prices (not adjusted) in active markets for identical assets or liabilities.

Level 2: the information used to determine the reasonable values includes: market price of similar instruments in active markets, market price of similar or identical instruments in inactive markets, or models of value determination which use information derived from market information or may be observed with market information.

Level 3: the information used to determine reasonable values cannot be observed and is significant to determine such values. Such information requires the significant judgment and estimates of Company management.

Assets and liabilities measured at their fair value as of December 31, 2015 and 2014 are as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	60,957,008	—	—	60,957,008
Totals as of December 31, 2015	60,957,008	—	—	60,957,008
Liabilities				
Financial Instruments				
Totals as of December 31, 2015				

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	54,706,958	—	—	54,706,958
Financial Instruments	4,107,049			4,107,049
Totals as of December 31, 2014	**58,814,007**	**—**	**—**	**58,814,007**
Liabilities				
Financial Instruments	6,245,796	—	—	6,245,796
Totals as of December 31, 2014	**6,245,796**	**—**	**—**	**6,245,796**

Note 41. Information about participation in other Companies

The companies in which the Company has a non-controlling participation are:

Company	Dec 31, 2015	Dec 31, 2014
Canfot S.A. (CANF)	8.33%	8,33%
Marina Río Luján S.A. (MRL)	49.99%	49,99%
Sitia S.A.(SITIA)	5.00%	—

The following summarizes the assets, liabilities and income for each company:

	Dec 31, 2015		
	CANF	MRL	SITIA
Asset	549,866,541	314,638,292	100,000
Non-controlling share	45,803,883	157,319,146	5,000
Liabilities	423,242,929	330,869,821	—
Non-controlling share	35,256,136	165,434,911	—
Income for the period	49,422,173	(14,482,481)	—
Non-controlling share	4,116,867	(7,241,241)	—

	Dec 31, 2014	
	CANF	MRL
Asset	735,443,253	145,223,894
Non-controlling share	61,262,423	72,611,947
Liabilities	658,241,814	146,972,942
Non-controlling share	54,831,543	73,486,471
Income for the period	13,561,480	2,742,814
Non-controlling share	1,129,671	1,371,407

Note 42. Share Capital Reduction

During the present fiscal period, the Company has incurred significant losses, which, when combined with prior losses, have surpassed 50% of the Company's share capital plus 100% of its reserves. Therefore, section 206 of Law 19550 (Business Organizations) requires the Company to reduce its share capital or restructure its equity.

On March 8, 2016 the Board of Directors called an Extraordinary Shareholders' Meeting to be held on April 14, 2016 with an agenda that includes a proposal for the absorption of accumulated losses.

Note 43. Stock options

At the shareholders' meetings held on October 30, 2009, December 20, 2011, April 30, 2014 and April 16, 2016, a plan to establish options to purchase stock was approved as compensation for certain of our current and future officers and senior employees. As approved by the shareholders, such options carry the right to subscribe for up to a pre-determined number of shares equal to 7% of our current capital stock (i.e., 70,349,485 shares) including the shares issued under these options, subject to any adjustments and to the terms and conditions determined by the board of directors.

On November 10, 2011 and December 11, 2012 the board of directors approved an incentive plan based on stock options for the benefit of our executives and employees in accordance with the resolutions adopted by the shareholders. The main features and conditions of this plan are, among others:

i. Purpose: attract and retain the services of exceptionally competent executives and employees, and provide them with an incentive to boost their efforts on our behalf;

ii. Plan Management: the plan will be managed by the compensation committee, with ample powers to establish the final terms and conditions of the documents implementing the plan and the beneficiaries thereunder;

iii. Beneficiaries: senior employees;

iv. Shares subject to the plan: shares subject to the plan may not exceed in the aggregate 7% of our common shares after giving effect to the issuance of shares subject to the plan (on a post-dilution basis);

v. Vesting and collection of benefits: every option may be exercised on the date to be determined by the compensation committee, as stated in the respective stock option agreement, and in any case, not later than ten years after the date granted. Unless otherwise expressly stated, an option will vest and may be exercised in respect of shares subject to the option at a rate of one fourth per year until the fourth anniversary of the date when granted;

vi. Form of payment of the price: the price of the shares shall be paid in cash, in Pesos. Issuance of shares subject to the plan will be conditional upon payment to us of the full price of the option by the beneficiary under the plan; and

vii. Lock-up: shares subscribed under the plan may not be sold, transferred or disposed of by the holders thereof until 180 days after the date of subscription.

The plan will be managed by the compensation committee, whose members are Federico Nicolás Weil, Darío Ezequiel Lizzano and Ralph Faden Reynolds. The compensation committee is responsible for establishing the final terms and conditions of the documents implementing the plan and the beneficiaries thereunder.

As of the date of these financial statements, the compensation committee has not granted any stock options under this plan, as the proceedings to obtain the required CNV consent (File N° 2074/13) for such action have not been completed.

On April 14, 2016, our Shareholders' Meeting approved the issuance of additional stock options for up to 5% of the number of shares to be issued as a result of this offering, to be granted to officers and employees of our company. At such Shareholders' Meeting, the Shareholders delegated the determination of the terms and conditions for the issuance of such stock options to the Board of Directors.

Note 44. Subsequent events after December 31, 2015

There have been no events or transactions between the closing date of this period and the issuance of these financial statements significantly modifying the equity of the Company as of December 31, 2015, or the period from December 31, 2015 to the issuance of these financial statements.

On February 19, 2016, of the Company issued corporate notes for $96,828,323, whose proceeds were received as follows: (a) $72,436,565 in cash and (b) $24,391,758 with Corporate Notes Class VII with a face value of $24,078,735.

On April 12, 2016 the Management of the Company approved the consolidated and individual financial statements of TGLT S.A. prepared in accordance with IFRS, in order to be submitted to the CNV (local regulator). Those financial statements were the basis for the current consolidated financial statements for 2015 and 2014, to be submitted to the SEC. While the accounting framework, balance sheet and results of operations are the same for both sets of financial statements, there are certain disclosure differences.

On April 14, 2016, the shareholders of the Company at the Shareholders' Meeting resolved, among other matters, to (i) absorb the accumulated loss with the account "Premiums of issuance" for $257.434.075, (ii) appoint new board members; (iii) increase the Company's capital through the issuance of common shares; (iv) file a registration statement with the SEC and request the listing of the shares on the NYSE or NASDAQ; (v) permit the issuance of stock options of up to 5% of the shares to be issued pursuant to the aforementioned capital increase for the benefit of certain officers and employees; and (vi) approve certain amendments to the Company's By-Laws to conform with recent changes to Argentine regulations such as the new Capital Markets Law and the new Civil and Commercial Code and with certain SEC requirements.

In April 2016, Federico Weil entered into an employment agreement with the Company. The employment agreement provides that Federico Weil shall be the chief executive officer of TGLT, and will be responsible for the management and administrative direction of TGLT. In case of his termination without cause, Federico Weil will be entitled to a special indemnification payment equal to twice the severance payment owed to him under Argentine labor law. The agreement includes exclusivity, non-compete and non-solicitation clauses applicable to Federico Weil.

Note 45. Approval of the financial statements

These consolidated financial statements as of December 31, 2015 and 2014 have been approved by the Company's Board of Directors on April 12, 2016, and Management approved an update to Note 44 as of April 27, 2016.