TGLT S.A.

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

City of Buenos Aires, Argentine Republic

FISCAL YEAR NO. 12 STARTED ON JANUARY 1, 2016.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2016
TGLT GROUP, PRESENTED COMPARATIVELY
(figures expressed in Argentine pesos)

Nature of business: 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, participate 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 entities 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.

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

AS OF JUNE 30, 2016 AND DECEMBER 31, 2015
(figures expressed in Argentine pesos—$)

	Notes	Jun 30, 2016	Dec 31, 2015
ASSETS			
Current assets			
Cash and cash equivalents	**5**	194,376,675	95,073,323
Accounts receivable	**6**	20,240,168	31,119,108
Other receivables	**7**	330,876,517	265,525,202
Receivables from related parties	**29**	14,081,642	7,952,268
Inventory	**8**	3,625,712,039	3,116,583,692
Total current assets		4,185,287,041	3,516,253,593
Non-current assets			
Other receivables	**7**	767,572	829,405
Investment property under construction	**39**	33,982,479	34,326,685
Property, plant and equipment	**9**	8,304,504	9,849,355
Intangible assets	**10**	1,225,551	1,245,509
Deferred tax assets	**11**	391,185,414	344,494,133
Goodwill	**12**	111,445,604	111,445,604
Total non-current assets		546,911,124	502,190,691
Total assets		**4,732,198,165**	**4,018,444,284**
LIABILITIES			
Current Liabilities			
Accounts payable	**13**	511,280,019	415,701,182
Short-term financial debt	**14**	509,507,588	392,037,742
Salaries and social security	**15**	13,306,201	19,789,322
Current tax liabilities	**16**	8,547,866	7,412,394
Other tax burden	**17**	56,511,023	38,980,268
Outstanding sums due to related parties	**29**	427,765,914	333,973,297
Advanced payments of clients	**18**	2,578,742,549	2,199,841,286
Other accounts payables	**19**	29,082,634	12,428,160
Total current Liabilities		4,134,743,794	3,420,163,651
Non-current liabilities			
Accounts payable	**13**	9,139,162	8,780,560
Long-term financial debt	**14**	140,496,678	58,717,680
Other tax burden	**17**	6,231,291	3,120,044
Other accounts payable	**19**	40,371,534	46,944,000
Deferred tax liabilities	**28**	275,234,695	265,599,814
Total non-current liabilities		471,473,360	383,162,098
Total liabilities		**4,606,217,154**	**3,803,325,749**
EQUITY			
Equity atributable to owners of the parent		85,804,909	172,124,894
Equity allocated to the non-controlling interest		40,176,102	42,993,641
Total equity		**125,981,011**	**215,118,535**
Total liabilities and equity		**4,732,198,165**	**4,018,444,284**

Notes 1 to 46 are an integral part of these financial statements.

TGLT S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
(figures expressed in Argentine pesos—$)

	Notes	Jun 30, 2016	Jun 30, 2015
Revenue from ordinary activities	**22**	331,731,692	374,842,463
Cost of ordinary activities	**23**	(281,533,814)	(278,422,030)
Gross profit		**50,197,878**	**96,420,433**
Sales expenses	**24**	(42,277,569)	(27,565,978)
Administrative expenses	**25**	(56,553,582)	(37,786,067)
Operating (loss) / profit		**(48,633,273)**	**31,068,388**
Other expenses	**10**	(253,884)	(174,684)
Financial results			
Exchange difference	**26**	(3,041,045)	(20,944,505)
Financial income	**26**	6,164,856	32,322,396
Financial costs	**26**	(58,847,207)	(27,364,837)
Other income and expenses, net	**27**	1,563,986	(536,941)
(Loss)/income before tax		**(103,046,567)**	**14,369,817**
Income tax benefit / (expense)	**28**	25,125,171	(18,763,325)
Loss for the period		**(77,921,396)**	**(4,393,508)**
Other comprehensive income that will be reclassified as gain or loss			
Difference for the conversion of a net investment abroad		(11,216,128)	(1,669,097)
Total of other comprehensive loss		(11,216,128)	(1,669,097)
Total comprehensive loss for the period		**(89,137,524)**	**(6,062,605)**
Loss for the period attributable to:			
Equity holders of the parent		(75,103,857)	(5,087,240)
Non-controlling interest		(2,817,539)	693,732
Total loss for the period		**(77,921,396)**	**(4,393,508)**
Attributable to Equity holders of the parent			
Base	**37**	**(1.07)**	**(0.07)**
Diluted	**37**	**(1.07)**	**(0.07)**
Total comprehensive loss for the period attributable to:			
Equity holders of the parent		(86,319,985)	(6,756,337)
Non-controlling interest		(2,817,539)	693,732
Total loss for the period		**(89,137,524)**	**(6,062,605)**

Notes 1 to 46 are an integral part of these financial statements.

TGLT S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016
(figures expressed in Argentine pesos—$)

	Shareholders' contribution				Reserves		Results	Shareholders' equity allocated to:		
Concept	**Share capital**	**Premiums of issuance(a)**	**Capital Contribution**	**Total**	**Foreign currency translation reserve**	**Legal reserve**	**Retained earning**	**Equity holders of the parent**	**Non-controlling interest**	**Total**
Balances as of January 1, 2016	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
Absorption of retained losses(1)	-	(254,858,965)	(2,571,110)	(257,430,075)	-	(4,000)	257,434,075	-	-	-
Loss for the period	-	-	-	-	-		(75,103,857)	(75,103,857)	(2,817,539)	(77,921,396)
Other comprehensive loss, net of tax	-	-	-	-	(11,216,128)	-	-	(11,216,128)	-	(11,216,128)
Total comprehensive loss for the period	-	-	-	-	(11,216,128)	-	(75,103,857)	(86,319,985)	(2,817,539)	(89,137,524)
Balances as of June 30, 2016	**70,349,485**	**123,349,809**	**-**	**193,699,294**	**(32,790,528)**	**-**	**(75,103,857)**	**85,804,909**	**40,176,102**	**125,981,011**

(1) As resolved by the Ordinary and Extraordinary Shareholders' Meeting on April 14, 2016.

Notes 1 to 46 are an integral part of these financial statements.

TGLT S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015
(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 of 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	-	-	-	-	-	-
(Loss) / Profit for the period..........	-	-	-	-	-	-	-	(5,087,240)	(5,087,240)	693,732	(4,393,508)
Other comprehensive loss, net of tax	-	-	-	-	-	(1,669,097)	-	-	(1,669,097)	-	(1,669,097)
Total comprehensive (Loss) / Income for the period	-	-	-	-	-	(1,669,097)	-	(5,087,240)	(6,756,337)	693,732	(6,062,605)
Balances as of June 30, 2015	**70,349,485**	**378,208,774**	**2,571,110**	**451,129,369**	**-**	**(2,419,952)**	**4,000**	**(217,444,486)**	**231,268,931**	**46,228,346**	**277,497,277**

(1) As resolved by the Ordinary and Extraordinary Shareholders' Meeting on April 30, 2015.

Notes 1 to 46 e are part of these financial statements.

TGLT S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
(figures expressed in Argentine pesos—$)

	June 30, 2016	June 30, 2015
Operating activities		
Loss for the period	(77,921,396)	(4,393,508)
Adjustments to obtain the cash flow provided by operating activities		
Deferred income tax expense (benefit)	(25,125,171)	18,763,325
Depreciation of property, plant and equipment	1,368,695	997,646
Gain for the sale of PP&E	(3,729,621)	-
Amortization of intangible assets	253,884	174,684
Effect of financial statements conversion	(11,216,128)	(1,669,097)
Effect of cash flow conversion	(321,179)	(108,025)
Changes in operating assets and liabilities		
Accounts receivable	10,940,558	(23,724,623)
Other receivables	(60,232,363)	(17,246,153)
Receivables from related parties	(5,440,341)	1,943,297
Inventory	(509,128,347)	(98,266,303)
Deferred Tax assets and deferred tax liabilities	(5,289,065)	17,055,479
Accounts payable	95,937,439	55,303,536
Accrued salaries and social security	(6,483,121)	(4,613,253)
Other tax burdens	20,642,002	(11,224,685)
Debts with related parties	93,792,617	3,861,700
Advanced payments of clients	378,901,263	61,385,494
Other payable	10,082,008	(1,892,168)
Tax on Minimum Presumed Income	(5,506,692)	(5,681,213)
Net cash flows provided by operating activities	**(98,474,958)**	**(9,333,867)**
Investment activities		
Investments not considered as cash	(420,995)	(117,431)
Investment property under construction	344,206	-
Payments for the purchase of property, plant and equipment	(2,159,719)	(531,298)
Collection for the sale of PP&E	535,080	-
Payments for the purchase of intangible assets	(190,101)	(249,833)
Net cash flows used in investing activities	**(1,891,529)**	**(898,562)**
Financing activities		
Financial debt (Note 14)	199,248,844	23,992,779
Financial instruments	-	13,175,412
Net cash flows provided by (used by) financing activities	**199,248,844**	**37,168,191**
Net increase (decrease) in cash and cash equivalents	98,882,357	26,935,762
Cash and cash equivalents at the beginning of the commercial year	92,488,940	54,706,958
Cash and cash equivalents, at period end (See Note 5)	**191,371,297**	**81,642,720**

Notes 1 to 46 are an integral part of these financial statements.

TGLT S.A.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2016 PRESENTED COMPARATIVELY (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 11 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 company is currently in the process of de-listing the BDRs from BM&FBOVESPA. 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 June 30, 2016, the Company's ordinary shares can be converted into ADRs at a ratio 15:1.

1.2. Business Model

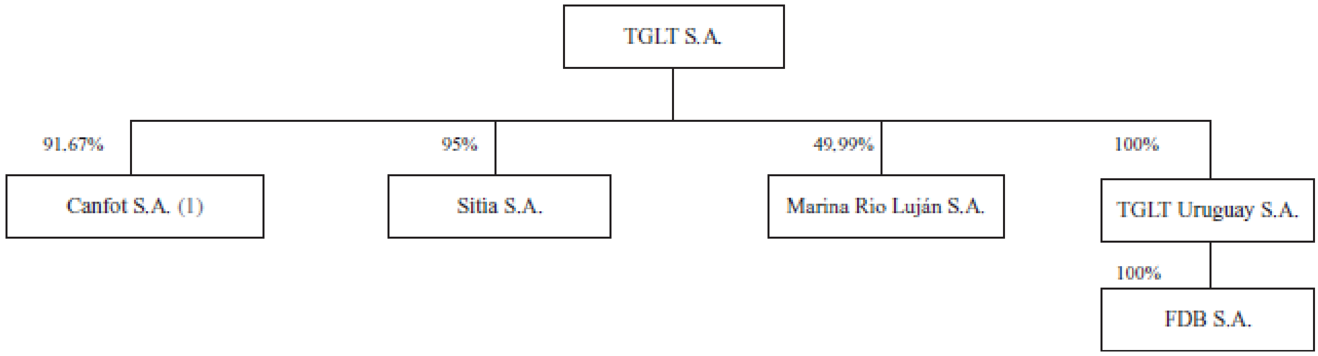
TGLT is focused on the development of residential real estate in Argentina and Uruguay. TGLT's business model is based on its ability to identify the best plots of land and to build high-quality residential projects. With the support of a team of professionals, the standardization of processes, and the 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 advice 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.

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.

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 as of June 30, 2016 and December 31, 2015, and related Consolidated Statements of Loss and Other Comprehensive loss, Changes in Equity, and Cash Flow as of and for the periods ended June 30, 2016 and 2015 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 Comisión Nacional de Valores (CNV) Argentine Securities Exchange Commission, in Argentina for most of public companies.

These consolidated financial statements correspond to the six month period that began on January 1, 2016 and ended on June 30, 2016. According to IFRS and as required by the U.S. Securities and Exchange Commission, the Company presents consolidated balance sheet information in comparison with the fiscal year ended December 31, 2015, and presents the Consolidated Statement of Loss and Other Comprehensive Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement in comparison with the same period of the previous year.

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	June 30, 2016	Dec 31, 2015
Canfot S.A.	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%

Non-controlling interest, presented as part of the shareholder's equity, represent the part of profits or losses and net assets of a subsidiary that 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.

Note 5. Cash and cash equivalents

	Notes	Jun 30, 2016	Dec 31, 2015
Cash in local currency		135,912	40,912
Cash in foreign currency	**38**	43,217	55,805
Banks in local currency		3,791,199	4,206,604
Banks in foreign currency	**38**	58,296,870	14,805,903
Funds to be deposited		9,679,154	252,026
Time deposits in foreign currency	**31.8 and 38**	33,190,546	2,584,383
Mutual funds in local currency		22,115,953	6,119,666
Mutual funds in foreign currency	**38**	3,734,993	6,051,016
Commercial papers in foreign currency	**38**	63,388,831	60,957,008
Total Cash and cash equivalents		**194,376,675**	**95,073,323**

In the statements of cash flows, cash and cash equivalents comprise the following:

	Jun 30, 2016	Jun 30, 2015
Total cash and cash equivalents	194,376,675	83,422,661
Certificate of deposits in foreign currency expiring over 90 days	(3,005,378)	(1,779,941)
Total Cash and Cash equivalents	**191,371,297**	**81,642,720**

Note 6. Accounts receivable

	Notes	Jun 30, 2016	Dec 31, 2015
Accounts receivable from sales of units in local currency		5,460,798	7,951,718
Accounts receivable from sales of units in foreign currency	**38**	16,000,528	22,813,020
Accounts receivable from sales of services in local currency		243,206	349,414
Accounts receivable from sales of services in foreign currency	**38**	12,439	4,956
Allowance for bad debts in local currency		(588,314)	-
Allowance for bad debts in foreign currency	**38**	(888,489)	-
Total Accounts receivable		**20,240,168**	**31,119,108**

The maturity of accounts receivable is as follows:

	Jun 30, 2016	Dec 31, 2015
Due within		
0 to 90 days	4,170,135	3,907,451
91 to 180 days	-	2,207,508
Past-due		
0 to 90 days	16,070,033	25,004,149
Total	**20,240,168**	**31,119,108**

Note 7. Other receivables

Current	Notes	Jun 30, 2016	Dec 31, 2015
Value added tax		66,255,445	73,586,655
Value added tax in foreign currency	**38**	89,881,749	47,722,207
Gross income tax		3,531,583	3,765,016
Net worth tax in foreign currency	**38**	28,286	3,766,294
Advance payments to work suppliers in local currency		54,267,584	79,457,883
Advance payments to work suppliers in foreign currency	**38**	54,202,161	19,028,705
Security Deposits in local currency		78,000	78,000
Security Deposits in foreign currency	**38**	816,204	707,004
Insurance policies to be accrued in local currency		62,787	40,563
Insurance policies to be accrued in foreign currency	**38**	1,087,703	1,670,925
Loan granted(1)		1,041,684	1,072,616
Prepayments—in local currency		568,529	626,953
Prepayments—in foreign currency	**38**	101,422	48,141
Refund		7,678,180	5,215,463
Refund from maintenance fees		17,501,005	8,409,063
Other checks—receivable		18,200	18,200
Credit for sale of PP&E		5,811,660	-
Credits under legal settlements	**32.3**	1,637,653	-
Collectable fund for equipment acquisition in local currency		259,974	194,032
Collectable fund for equipment acquisition in foreign currency	**38**	4,454,628	3,332,822
Collectable operating fund		442,045	563,215
Advance payments for the purchase of real estate properties (2)		22,009,200	19,673,032
Sundry receivables in local currency		6,773,642	1,180,862
Sundry receivables in foreign currency	**38**	20,447	17,718
Minus:			
Bad-debt allowance on other receivables		(6,015,601)	(4,650,167)
Sub - Total other receivables—Current		**330,876,517**	**265,525,202**
Non-current			
Security deposits in local currency		12,300	12,300
Security deposits in foreign currency	**38**	55,328	49,011
Insurance policies to be accrued in foreign currency	**38**	315,897	-
Loan granted(1)		384,047	768,094
Sub Total other receivables—Non-current		**767,572**	**829,405**
Total other receivables		**331,644,089**	**266,354,607**

(1) Loan granted by Canfot S.A. to Edenor S.A.: 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 thirty out of the forty-eight monthly installments agreed.

(2) Advance payments for the purchase of real estate properties in foreign currency: On November 30, 2015, the Company booked the purchase of 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 agreed to pay the balance of US$300,000 or $4.5 million on December 1, 2016. See note 46 of these consolidated financial statements.

Note 8. Inventory

	Notes	Jun 30, 2016	Dec 31, 2015
Forum Alcorta—Finished units	**31.1**	214,318,112	411,620,358
Astor Caballito	**31.2**	118,835,293	115,429,796
Astor Palermo—Finished units	**31.3**	379,837,515	292,689,918
Forum Puerto del Buceo	**31.11**	1,397,553,431	1,071,181,369
Astor Núñez	**31.4**	417,478,153	354,453,825
Venice	**31.10**	526,982,357	402,381,085
Metra Puerto Norte	**31.5**	269,783,496	209,204,205
Proa	**31.5**	217,844,262	174,921,419
Metra Devoto	**31.6**	68,999,549	67,656,250
Other projects		4,150,918	1,906,673
Forum Puerto Norte—Finished units		13,362,261	16,525,373
Forum Puerto Norte—Impairment of finished units		(3,433,308)	(1,386,579)
Total Inventory(1)		**3,625,712,039**	**3,116,583,692**

(1) The finance costs capitalized during the period ended June 30, 2016 and during the year ended December 31, 2015, according to IAS 23, represented $33,394,513 and $60,680,010, respectively. The capitalization rates used for the general borrowing was 13.3% and 29.4% for the period ended June 30, 2016 and the year ended December 31, 2015, 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, 2016	1,251,489	1,979,400	353,478	1,919,274	6,174	16,427,233	2,732,142	24,669,190
Acquisitions	175,659	130,459	—	—	—	1,853,601	—	2,159,719
Conversion adjustment	74,961	58,445	—	130,614	—	408,452	—	672,472
Decreases	—	—	(353,478)	—	—	—	(2,639,177)	(2,992,655)
Total	1,502,109	2,168,304	—	2,049,888	6,174	18,689,286	92,965	24,508,726
Depreciation and impairment								
Balance as of January 1, 2016	(594,382)	(1,358,521)	(206,261)	(1,521,156)	(6,174)	(11,036,425)	(96,916)	(14,819,835)
Depreciations	(80,648)	(155,241)	(58,913)	(162,368)	—	(889,979)	(21,546)	(1,368,695)
Conversion adjustment	(21,389)	(26,294)	—	(107,909)	—	(239,526)	—	(395,118)
Decreases	—	—	265,174	—	—	—	114,252	379,426
Total	(696,419)	(1,540,056)	—	(1,791,433)	(6,174)	(12,165,930)	(4,210)	(16,204,222)
Net carrying value as of June 30, 2016	**805,690**	**628,248**	**—**	**258,455**	**—**	**6,523,356**	**88,755**	**8,304,504**

	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
Transferences	—	—	—	—	—	(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**

Note 10. Intangible assets

	Software	Software development	Trademarks	Total
Original value				
Balance as of January 1, 2016	715,029	2,555,894	31,828	3,302,751
Acquisitions	—	190,101	—	190,101
Conversion adjustment	66,930	—	2,580	69,510
Total	781,959	2,745,995	34,408	3,562,362
Depreciation and impairment				
Balance as of January 1, 2016	(363,987)	(1,674,931)	(18,324)	(2,057,242)
Depreciations	(55,676)	(195,656)	(2,552)	(253,884)
Conversion adjustment	(24,049)	—	(1,636)	(25,685)
Total	(443,712)	(1,870,587)	(22,512)	(2,336,811)
Net carrying value as of June 30, 2016	**338,247**	**875,408**	**11,896**	**1,225,551**

	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**

Note 11. Deferred Tax assets

	Notes	June 30, 2016	Dec 31, 2015
Tax on minimum presumed income		85,179,884	75,419,545
Allowance for the expiration of minimum presumed income tax income credits		(1,267,680)	—
Tax loss—local source (*)		290,459,257	256,461,077
Foreign net investment loss (*)		16,785,592	12,613,511
Income Tax loss—foreign source	**38**	28,361	—
Total Deferred Tax assets		**391,185,414**	**344,494,133**

(*) See "Net position of temporary differences from Deferred Tax Liabilities" of $275 million and $266 million for the six months ended June 30, 2016 and the year ended December 31, 2015, respectively, in 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. Assumptions, among others, considered by management in preparing these projections include completing the sale and delivery of all remaining units in its Forum Alcorta and Astor Palermo projects, as well as the majority of the units in Astor Núñez during fiscal year 2016 in order to generate sufficient taxable income to absorb the tax credits expiring between 2016 and 2018. To this objective, management is also planning the merger of TGLT and its subsidiary Canfot S.A.

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.

As of June 30, 2016 and December 31, 2015, deferred tax assets were Ps. 391.2 million and Ps. 344.5 million, respectively, resulting from tax losses of Ps. 307.2 million and Ps. 269.1 million and tax on minimum presumed income of Ps. 84 million and Ps. 75.4 million, respectively.

We disclose deductible and taxable temporary differences, originating from the difference between valuations for accounting and taxable purposes in our balance sheets. The net result from the temporary differences are liabilities of Ps. 275.2 million and Ps. 265.6 million, for the periods ending June 30, 2016 and December 31, 2015, respectively, coming from the net effects of taxable temporary differences of Ps. (298.3) million and Ps.(286.5) million, respectively, and deductible temporary differences of Ps. 23.0 million and Ps. 21.0 million, respectively.

Taxable temporary differences will be netted against tax losses that expire in five years as deliveries of dwelling units take place in each of the projects developed by the Company. At that time, revenues and costs of ordinary activities are recognized, temporary differences reversed and tax losses are netted.

Additionally, deferred tax assets created by deductible temporary differences is the result of a) Deferred revenues, that will be netted against revenues recognized at delivery of dwelling units and b) Bad credits and Property, plant and equipment not related to contracted sales. Bad credits are reversed when standards that allow the credit to be deductible for income tax purposes are met under tax regulations and Property, plant and equipment is reversed as our showrooms are depreciated or dismantled.

The Company meets the standards established in paragraph 36(a) of IAS 12.

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

	Pesos
Year	Jun 30, 2016
2016	2,867,308
2017	16,597,835
2018	49,675,648
2019	95,667,358
2020	84,677,471
2021	57,759,229
Total	**307,244,849**

Note 12. Goodwill

	Marina Río Lujan S.A.	Pico y Cabildo S.A.	Canfot S.A.	Total
Original value				
Balance as of January 1, 2016	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, 2016	—	—	—	—
Loss due to impairment	—	—	—	—
Total	—	—	—	—
Net carrying value as of June 30, 2016	**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, 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**

Note 13. Accounts payable

Current	Notes	Jun 30, 2016	Dec 31, 2015
Suppliers in local currency		25,956,228	34,124,309
Suppliers in foreign currency	**38**	72,870,118	36,831,093
Deferred checks in local currency		36,279,088	47,362,918
Deferred checks in foreign currency	**38**	16,381,776	9,565,836
Provision for expenditure in local currency		1,552,874	2,403,159
Provision for expenditure in foreign currency	**38**	492,721	1,004,075
Provision for works in local currency		34,827,553	27,357,591
Provision for works in foreign currency	**38**	33,226,804	7,071,015
Insurance policies payable in national currency		192,707	43,744
Insurance policies payable in foreign currency	**38**	1,903,709	1,703,863
Performance bond		9,987	9,987
Contingency fund in local currency		16,297,370	12,982,598
Contingency fund in foreign currency	**38**	16,493,186	7,297,972
Building permit in foreign currency	**38**	17,242,249	21,978,955
Creditors per purchase of real estate property in foreign currency	**38**	237,553,649	205,964,067
Subtotal current Accounts payable		**511,280,019**	**415,701,182**
Non-current			
Building permit in foreign currency	**38**	9,139,162	8,780,560
Total Accounts payable—Non-current		**9,139,162**	**8,780,560**
Total Accounts payable		**520,419,181**	**424,481,742**

Note 14. Financial debt

Current	Notes	Jun 30, 2016	Dec 31, 2015
Short-term financial debt taken in foreign currency	**14.1.2 and 38**	173,815,728	109,865,697
Mortgage-backed bank short-term financial debt in local currency	**14.1.1**	83,715,598	100,314,642
Mortgage-backed bank short-term financial debt in foreign currency	**14.1.1 and 38**	136,193,526	25,729,155
Bank overdrafts in local currency	**14.3**	47,252,685	23,349,114
Corporate notes in local currency	**14.2**	58,016,507	105,467,898

Corporate notes in foreign currency	**14.2 and 38**	10,513,544	27,311,236
Subtotal current short-term financial debt		**509,507,588**	**392,037,742**
Non-current			
Mortgage-backed bank short-term financial debt in local currency	**14.1.1**	35,864,836	—
Corporate notes in local currency	**14.2**	104,631,842	58,717,680
Subtotal non-current Long-term financial debt		**140,496,678**	**58,717,680**
Total Financial debt		**650,004,266**	**450,755,422**

The following is a breakdown of activity in financial debt:

AS OF THE PERIOD/YEAR	Jun 30, 2016	Dec 31, 2015
Opening balance	450,755,422	384,296,792
New financial debt and financing arrangements	473,776,855	264,092,973
Accrued interests	49,951,697	174,454,104
Effects of exchange rate variation	11,455,263	35,125,631
(Decrease) Increase bank overdrafts	23,903,571	2,550,657
Payment of principal	(329,870,231)	(155,871,042)
Payment of interests	(45,323,511)	(172,015,075)
Corporate Notes swap net of issuance costs	313,023	(82,055,271)
Effect of the conversion of financial statements	15,042,177	176,653
Closing balance	**650,004,266**	**450,755,422**

14.1 Bank loans

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

14.1.1. Mortgage-guaranteed bank loans

					Amount payable (in $)			
					June 30, 2016		Dec 31, 2015	
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	(26,124,600)	—	—	26,909,465	—
Hipotecario(a)	30,000,000	22/05/2016	30,000,000	(11,000,000)	19,598,325	—	30,901,295	—
Ciudad de Buenos Aires(b)	71,000,000	23/05/2016	50,785,492	(1,028,068)	51,750,331	—	42,503,882	—
Santander Río and Ciudad de Buenos Aires (c)	260,000,000	31/10/2018	47,300,000	—	12,366,942	35,864,836	—	—
Total in local currency					**83,715,598**	**35,864,836**	**100,314,642**	**—**
Hipotecario(a)	12,000,000	22/05/2016	9,906,007	(9,906,007)	—	—	25,729,155	—
BBVA (d)	4,500,000	22/08/2016	4,500,000	-	67,750,418	—	—	—
Itaú (d)	2,500,000	23/08/2016	2,500,000	-	37,654,675	—	—	—
Itaú (d)	2,050,000	13/09/2016	2,050,000	-	30,788,433	—	—	—
Total in foreign currency					**136,193,526**	—	**25,729,155**	—

(a) On August 14, 2015, Banco Hipotecario accepted an offer to cancel the loan in foreign currency 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 June 30, 2016, the loan was fully cancelled.

For the financial debt in pesos, installments for $37,124,600 have been paid during the first six months. The owed capital as of June 30, 2016 and December 31, 2015 was $19,000,000 and $56,124,600, respectively. As of the date of issuance of these financial statements, the loan was fully repaid. See Note 31.1.

(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. On July 28, 2016, the Company paid $20,000,000 in principal. The remaining balance was agreed to be repaid in two installments maturing on August 19, 2016 ($10,000,000) and September 20, 2016 (the balance). As of the date of these financial statements, the installment maturing on August 19, 2016 is pending repayment.

(c) On June 3, 2016, the Company's subsidiary MRL, obtained a syndicated loan in the amount of Ps.260 million to finance the construction of the first six buildings of the Las Rías phase of our project Venice from Banco Santander Río S.A. and Banco Ciudad de Buenos Aires S.A. The funds will be disbursed based on the progress of construction of the buildings financed, with $47.3 million disbursed in June 2016, upon the execution of the loan. As collateral for the loan, MRL has granted a first degree mortgage on the Venice property for up to $527.5 million. The loan is divided into two tranches. The first tranche is for up to $182 million and will finance the construction of five buildings already under construction that we expect to deliver during the second quarter of 2017, and must be repaid in six monthly installments beginning in April 2017 and ending in October 2017. The second trache is for up to $78 million and will finance the construction of a sixth building we expect to deliver during the third quarter of 2018, and must be repaid by October 2018. The loan will bear a variable interest rate equal to Private BADLAR, a reference rate published by the Central Bank of Argentina, plus a fixed component of 450 bps.

(d) On December 18, 2015 and May 17, 2016, FDB SA entered into a credit facility of up to USD 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: BBVA and ITAU in equal portions (USD 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: proportional to building construction 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: First-degree mortgage in favor of the BBVA and ITAU of up to USD 16,000,000 over the total of units comprising phases I and III of Forum Puerto del Buceo project.

- Credit assignment: Credit assignment 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.

Since December 31, 2015 and until May 17, 2016, BBVA granted a bridge loan while mortgage administrative procedures were completed. On May 17, 2016, a supplemental agreement was signed providing for the grant of the mortgage and related intercreditor agreements between the banks with respect to proceeds from certain blocks of the Forum Puerto del Buceo project.

14.1.2. Other financial loans in foreign currency

						Amount payable			
						Jun 30, 2016		Dec 31, 2015	
Entity	**Principal available**	**Maturity date**	**Disbursements received**	**Partial repayment**	**Annual Rate**	**Current**	**Non-current**	**Current**	**Non-current**
BBVA (a)	2,000,000	02/05/2016	2,000,000	(2,000,000)	6,50%	-	-	25,997,177	-
BBVA (a)	2,000,000	03/11/2016	2,000,000	-	1,00%	29,998,070	-	-	-
BBVA (b)	3,990,000	07/12/2016	3,990,000	-	1,00%	60,097,484	-	51,864,368	-
Itaú (a)(1)	3,000,000	16/06/2016	3,000,000	-	1,79%	45,199,359	-	-	-
Itaú (a)	387,000	06/05/2016	387,000	(387,000)	5,00%	-	-	5,076,784	-
Santander (a)	250,000	09/09/2016	250,000	(187,500)	4,50%	946,688	-	2,480,565	-
Santander (a)	500,000	08/12/2016	500,000	(186,531)	4,50%	4,932,188	-	6,763,965	-
Individual (b)	2,000,000	12/12/2016	2,000,000	-	15,00%	32,641,939	-	17,682,838	-
Total in foreign currency			**14,127,000**	**(2,761,031)**		**173,815,728**	**—**	**109,865,697**	**—**

(a) Loans obtained by FDB S.A.

(1) This loan was renewed after June 30, 2016 until October 6, 2016, with an interest rate of 1.64%.

(b) Loan obtained by MRL from its shareholder Marcelo Gomez Prieto.

14.2. 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.

This is a summary of the main characteristics of each of the Company issuances as from the Program approval up to June 30, 2016.

Class	**IV**	**VI**	**IX**	**X**	**Totals**
Issuance date	3/07/2013	27/05/2014	12/05/2015	23/02/2016	
Amount issued	US$7,380,128	$15,842,677	$57,229,975	$96,828,323	
Amount payable (principal only)	US$692,622	$5,500,000	$57,229,975	$96,828,323	
Amount payable current (principal and interest)	$10,513,544	$5,111,432	$2,298,202	$50,606,873	$68,530,051
Amount payable non-current (principal and interest)	-	-	$56,217,680	$48,414,162	$104,631,842
Currency..........................	Pesos, to the current exchange rate(“dollar-linked”)	Pesos	Pesos	Pesos	

Interest rate......................	3.90%	BADLAR Private + 549 bps	The highest value resulting from: a) a factor of 0,90 multiplied by CAC index variation; and b) BADLAR Private + 600 bps	BADLAR Private + 649 bps
Maturity	04/07/2016	29/11/2016	14/05/2018	23/08/2017
Amortization	4 equal consecutive installments, as from 5/10/2015, in the months 27, 30, 33 and 36	4 equal consecutive installments, as from 29/02/2016, in the months 21, 24, 27 and 30	4 equal consecutive installments, as from 14/08/2017, in the months 27, 30, 33 and 36	2 equal consecutive installments, as from 23/05/2017, in the months 15 and 18
Payment of interest	Coupon every three months			
Rating	BBB as per FIX SCR S.A. Agente de Calificación de Riesgo			

On May 12, 2015 and on February 23, 2016, as a consequence of the last issuance of corporate notes Classes VII, IX and X, 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:

		New issuance		
Issuance exchanged	**Exchanged amount**	**Class VII**	**Class IX**	**Class X**
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	—
Class VII..	$24,391,758	—	—	$24,391,758

On May 6, 2016, we repaid the outstanding balance of our Class VII corporate notes and, on July 4, 2016, we repaid the outstanding balance of our Class IV corporate notes, and on August 29, 2016, principal and interest corresponding to Class VI for the amount of $2,916,435.

On August 12, 2016, the Company paid interest corresponding to Class IX in the amount of $5,216,826, and on August 23, 2016, the Company paid principal and interest corresponding to Class X for the amount of $8,311,570.

On July 20, 2016, we issued Class XII corporate notes for $96.7 million maturing in full on January 22, 2018 which will bear an interest at the Private BADLAR plus 600 bps. See Note 46.

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 June 30, 2016 and December 31, 2015:

	Amount payable			
	Jun 30, 2016		Dec 31, 2015	
Class	**Current**	**Non-current**	**Current**	**Non-current**
III	—	—	15,146,401	—
VI	5,111,432	—	7,730,292	2,500,000
VII	—	—	80,414,888	—
IX	2,298,202	56,217,680	2,176,317	56,217,680
X	50,606,873	48,414,162	—	—
Corporate notes in local currency	58,016,507	104,631,842	105,467,898	58,717,680
IV	10,513,544	—	27,311,236	—
Corporate notes in foreign currency	10,513,544	—	27,311,236	—
Total corporate notes	**68,530,051**	**104,631,842**	**132,779,134**	**58,717,680**

14.3. Bank overdraft agreements

The Company has overdraft agreements with the following institutions: 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 $10 million, e) Banco Santander for $25 million and f) Banco Patagonia for $5 million.

Note 15. Salaries and social security

	Notes	Jun 30, 2016	Dec 31, 2015
Wages payable in the local currency		6,042,202	10,679,726
Wages payable in foreign currency	**38**	1,040,486	1,003,335
Social security contributions payable in local currency		3,393,006	4,251,728
Social security contributions payable in foreign currency	**38**	148,161	112,338
Provision for Annual Complementary Salary and holidays in local currency		1,753,208	2,804,205
Provision for Annual Complementary Salary and holidays in foreign currency	**38**	601,234	374,035
Provision for Board of Directors fees		357,905	563,955
Staff advances		(30,001)	—
Total Salaries and social security		**13,306,201**	**19,789,322**

Note 16. Tax liabilities

Current		Jun 30, 2016	Dec 31, 2015
Tax on minimum presumed income		8,422,151	7,368,579
Net Income Tax in local currency		3,981	—
Net Income Tax in foreign currency	**38**	121,734	43,815
Total Current tax liabilities		**8,547,866**	**7,412,394**
Total Tax liabilities		**8,547,866**	**7,412,394**

Note 17. Other tax burden

Current	Notes	Jun 30, 2016	Dec 31, 2015
Gross Income Tax		2,178,958	7,049,302
Provincial Tax Payable		850,463	548,796
Municipal Tax Payable		2,095,779	1,678,605
Provincial Tax Payment Plan		2,011,365	1,515,975
Municipal Tax Payment Plan		713,450	1,688,324
Municipal Tax Payment Plan in foreign currency(1)	**38**	16,435,860	—
Net worth tax		785,117	851,982
Stamp Tax		22,639,816	23,299,530
Net worth tax in foreign currency	**38**	4,805,060	—
Withholdings and earnings to be deposited in local currency		2,386,458	1,626,562
Withholdings and earnings to be deposited in foreign currency	**38**	1,608,697	721,192
Subtotal Other tax burden—Current		**56,511,023**	**38,980,268**
Non-current			
Provincial Tax Payment Plan		3,245,786	3,120,044
Municipal Tax Payment Plan		1,615,850	—
Municipal Tax Payment Plan in foreign currency(1)	**38**	1,369,655	—
Subtotal Other tax burden—Non-current		**6,231,291**	**3,120,044**
Total Other tax burden		**62,742,314**	**42,100,312**

(1) On April 21, 2016, the Company agreed to pay to the Municipality of Rosario a pecuniary compensation in exchange of a donation of land for the amount of US$1,366,012 payable in 15 consecutive monthly installments, the first two of which have been paid as of the date of these financial statements.

Note 18. Advanced payments of clients

	Notes	Jun 30, 2016	Dec 31, 2015
Advanced collections		2,614,518,476	2,231,169,534
Advanced collections per stock sales		22,310,953	19,385,264
Funds received for the purchase of equipment		43,019,990	40,844,480
Operating fund		5,771,591	4,836,602
Value added tax		(106,878,461)	(96,394,594)
Total Advanced Payments of clients		**2,578,742,549**	**2,199,841,286**

Note 19. Other accounts payables

Current	Notes	Jun 30, 2016	Dec 31, 2015
Sundry creditors in foreign currency	**31.8 and 38**	8,136,027	2,584,383
Debt for purchase of shares in foreign currency	**33 and 38**	18,048,008	9,128,007
Provision for other claims		100,000	687,250
Other liabilities		2,798,599	28,520
Total Other accounts payables—Current		**29,082,634**	**12,428,160**
Non-current			
Various creditors in foreign currency	**38**	4,275,534	—
Debt per the purchase of shares in foreign currency	**33 and 38**	36,096,000	46,944,000
Total Other accounts payable—Non current		**40,371,534**	**46,944,000**
Total Other accounts payable		**69,454,168**	**59,372,160**

Note 20. Share Capital

The Company's capital is distributed as follows:

Shareholders	Jun 30, 2016 Shares	Jun 30, 2016 %	Dec 31, 2015 Shares	Dec 31, 2015 %
Federico Nicolás Weil	13,804,445	19.6%	13,804,445	19.6%
Bienville Argentina Opportunities Master Fund LP	9,560,830	13.6%	9,560,830	13.6%
PointArgentum Master Fund LP	9,560,830	13.6%	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%	6,671,712	9.5%
Serengeti Asset Management	5,008,883	7.1%	5,008,883	7.1%
Other holders of US certificates of deposit representing ordinary shares (ADRs)	14,842,587	21.1%	14,842,587	21.1%
Holders of Brazilian certificates of deposit representing ordinary shares (BDRs)	10,000	0.01%	335,240	0.5%
Other holders of ordinary shares	3,619,880	5.2%	3,294,640	4.7%
Total share capital	70,349,485	100%	70,349,485	100%

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.

Additionally, according to CNV rules, when the net balance of accumulated other comprehensive income as of the end of a fiscal year or period is negative, there will be a restriction to the distribution of retained earnings for the same amount.

Note 22. Revenue from ordinary activities

	Six-month period ended, Jun 30, 2016	Six-month period ended, Jun 30, 2015
Revenue from delivery of units	321,300,345	369,529,160
Revenue from services rendered	10,431,347	5,313,303
Total Revenue for ordinary activity	**331,731,692**	**374,842,463**

Note 23. Cost of ordinary activities

	Six-month period ended, Jun 30, 2016	Six-month period ended, Jun 30, 2015
Finished inventory in the beginning of the fiscal year	719,449,070	219,909,322
Plus:		
Cost capitalized during the period	163,844,433	841,119,811
Costs of services rendered	2,324,891	1,084,133
Minus:		
Finished units at end of period	(604,084,580)	(783,691,236)
Total cost of ordinary activity	**281,533,814**	**278,422,030**

Note 24. Sales expenses

	Six-month period ended,	
	Jun 30, 2016	Jun 30, 2015
Wages and social security contributions	4,223,442	3,481,743
Other payroll expenses	229,581	414,640
Rent and maintenance fees	509,561	419,184
Professional fees	1,131,191	582,000
Taxes, duties and assessments	9,527,768	10,053,334
Transport and per diem	406,375	98,788
IT and service expenses	506,109	246,749
Impairment of fixed assets	889,979	682,513
Office expenses	264,346	226,515
Insurance	117,390	27,796
Advertising expenses	5,359,495	6,066,322
Costs per sales	10,569,514	4,235,737
Consortium expenses	8,442,937	983,593
Post sales expenses	99,881	—
Overhead	—	47,064
Total sales expenses	**42,277,569**	**27,565,978**

Note 25. Administrative expenses

	Six-month period ended,	
	Jun 30, 2016	Jun 30, 2015
Wages and social security contributions	26,310,784	18,443,762
Other payroll expenses	896,302	659,917
Rent and utility bills	2,234,450	1,238,604
Professional fees	6,548,261	4,260,046
Directors fees	1,510,705	322,260
Statutory auditing committee fees	626,519	446,720
Other expenses	678,232	365,989
Taxes, duties and assessments	11,073,724	8,755,967
Transport and per diem	984,534	238,201
IT and services expenses	1,952,043	890,410
Impairment of fixed assets	478,716	315,133
Office expenses	1,504,105	1,021,651
Maintenance expenses of investment property under construction	648,517	—
Insurance	1,106,690	735,407
Donations	—	92,000
Total administrative expenses	**56,553,582**	**37,786,067**

Note 26. Financial results

	Six-month period ended,	
	Jun 30, 2016	**Jun 30, 2015**
Exchange difference		
Income from exchange differences	59,677,851	24,334,054
Costs from exchange differences	(62,718,896)	(45,278,559)
Total Exchange difference	**(3,041,045)**	**(20,944,505)**
Financial income		
Interest	3,937,719	1,123,717
Income from holding short-term investments	1,457,983	2,086,328
Income from sale of short-term investments	769,154	15,065,343
Income brought from financial instruments	—	14,047,008
Total Financial income	**6,164,856**	**32,322,396**
Financial costs		
Interests	(45,189,881)	(18,460,617)
Subtotal Interests	(45,189,881)	(18,460,617)
Other Financial costs		
Banking expenses	(1,505,163)	(1,066,411)
Income brought from financial instruments	(1,179,702)	—
Tax on bank debits and credits	(8,085,451)	(5,128,112)
Present value adjustment of credits	(1,365,435)	—
Other bad credits	(1,521,575)	(2,709,697)
Subtotal Other Financial costs	(13,657,326)	(8,904,220)
Total Financial costs	**(58,847,207)**	**(27,364,837)**

Note 27. Other income and expenses, net

	Six-month period ended,	
	Jun 30, 2016	**Jun 30, 2015**
Income from rent	2,345,365	—
Debt write-off	—	(712,860)
Loss for cession of contract	—	(88,000)
Expense reinbursments	174,642	18,300
Sundry	72,209	383,102
Sale of PP&E	3,729,621	—
Termination of contracts	83,380	962,517
Legal agreements	(395,241)	(1,100,000)
Collection of surety policies	2,839,006	—
Damage repairments	(7,284,996)	—
Total Other income and expenses, net	**1,563,986**	**(536,941)**

Subsequent to the issuance of the financial statements for the period ending March 31, 2016, we detected an immaterial error in how the rental contract on the Astor San Telmo site and its payment was recorded in income from rent. While a portion of the amount collected should have been deferred and recognized over the course of the remaining term of the lease contract, which expires in April 2018, we recognized the total amount collected in the first quarter of 2016, effectively overstating other income by Ps.10,283,579 (pre-tax). The error has been corrected in these financial statements as of and for the six months ended June 30, 2016. The rent collected in advance under this rental contract in the first quarter of 2016 for the amount of $10,283,579 was recorded in our liabilities as deferred rental income in accordance with paragraph 13 of IAS 18 and is being amortized over the life of the contract. As of June 30, 2016, the amount of deferred income was $9,406,170 and is presented in “Other accounts payable” for the amount of $5,130,636 as current liabilities and $4,275,534 as non-current liabilities. See Note 43.

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 June 30, 2016 and 2015, is as follows:

	Jun 30, 2016	Jun 30, 2015
Income tax expense	36,132,687	(21,497,532)
Deferred tax expense	(9,739,836)	2,734,207
Allowance for the expiration of minimum presumed income tax income credits	(1,267,680)	—
Total Income Tax	**25,125,171**	**(18,763,325)**

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:

Assets from Deferred Tax	**Jun 30, 2016**	**Dec 31, 2015**
Bad credits	-	1,905,030
Property, plant and equipment	4,098,728	3,804,064
Deferred Income	18,919,804	15,218,928
Subtotal assets from Deferred Tax	23,018,532	20,928,022
Deferred Tax liabilities		
Bad credits	(419,950)	-
Short-term investments	(625,162)	(868,420)
Inventory valuation	(112,246,572)	(108,353,798)
Foreign currency valuation	(124,274,399)	(130,715,431)
Financial costs	(60,665,528)	(46,569,039)
Intangible assets	(21,616)	(21,148)
Subtotal liabilities from Deferred Tax	(298,253,216)	(286,527,836)
Net position of assets/(liabilities) from Deferred Tax (1)	**(275,234,695)**	**(265,599,814)**

(1) Note 11 presents Deferred tax assets that include tax loss carry forwards in the amount of $307 million and $269 million for the six months ended June 30, 2016 and the year ended December 31, 2015, respectively, which will be used against the reversion of these net positions from deferred tax liabilities.

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:

	Jun 30, 2016	Jun 30, 2015
Income Tax calculated at the current rate for each country	29,906,433	(1,802,059)
Allowance for the expiration of minimum presumed income tax income credits	(1,267,682)	—
Adjustment to the income statement allowance for prior periods	643,914	—
Non-deductible expenses	(4,063,041)	(3,534,670)
Assumed interests	(1,918,869)	(710,209)
Directors Fees	(485,872)	(99,666)
Intangible assets	(247)	(247)
Donations	—	(4,200)
Effect for fiscal inflation adjustment	(128,228)	(388,168)
Effect of conversion—financial statements	2,438,763	(12,224,106)
Income tax expense	**25,125,171**	**(18,763,325)**

Note 29. Related Parties

a) As of June 30, 2016 and December 31, 2015, 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	Jun 30, 2016	Dec 31, 2015
ACCOUNTS AND OTHER RECEIVABLES			
AGL Capital S.A.		1,520,292	2,308,410
Individual shareholders in foreign currency	**38**	85,502	74,056
Other related parties in foreign currency	**38**	5,824,330	-
		7,430,124	2,382,466
OTHER RECEIVABLES			
Individual shareholders		2,374,120	2,130,741
Other shareholders		4,277,398	3,439,061
		6,651,518	5,569,802
Total receivables from related parties		**14,081,642**	**7,952,268**

OUTSTANDING SUMS DUE TO RELATED PARTIES	Jun 30, 2016	Dec 31, 2015
TRADE AND OTHER ACCOUNTS PAYABLES		
IRSA Inversiones y Representaciones S.A.	35,418,353	35,418,354
	35,418,353	**35,418,354**
ADVANCED PAYMENTS OF CLIENTS		
Individual shareholders	—	935,600
Alto Palermo S.A.	329,990,209	236,645,106
IRSA Inversiones y Representaciones S.A.	60,287,590	60,287,590
Board members	2,069,762	686,647
	392,347,561	298,554,943
Total Outstanding sums due to related parties	**427,765,914**	**333,973,297**

b) As of June 30, 2016 and 2015, the most significant operations with companies and other related parties were as follows:

- Effects of transactions on cash flow

Related Company	Transaction	Jun 30, 2016	Jun 30, 2015
AGL Capital S.A.	Collections for services rendered	726,500	—
Other related parties	Collections for the sale of units	3,691,704	—
Individual shareholders	Collections for the sale of units	—	3,462,168
Board members	Collections for the sale of units	1,600,440	—
Individual shareholders	Payments on behalf of others	(77,590)	(122,672)
Other shareholders	Payments on behalf of others	(253,451)	(125,153)
Totals.................................		**5,687,603**	**3,214,343**

- Effects of transactions on the income statement

Related Company	Transaction	Jun 30, 2016	Jun 30, 2015
AGL Capital S.A.	Revenue from services rendered	-	262,511
Individual Shareholders.....	Financial income	69,701	(1,316,605)
Other related parties...........	Revenue from the delivery of units	9,519,093	-
Board Members	Fees	(1,510,705)	(322,260)
Total ………………………………………………………		**8,078,089**	**(1,376,354)**

c) As of June 30, 2016 and 2015, transactions with key personnel were as detailed below:

	Jun 30, 2016	Jun 30, 2015
Short-Term Salaries and social security............................	5,664,496	4,843,313
Social Security	921,240	600,634
Total	**6,585,736**	**5,443,947**

On December 13, 2011, the Board of Directors defined 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).

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 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	Jun 30, 2016	Dec 31, 2015
Due within		
Up to 3 months	94,039,915	46,871,856
From 3 to 6 months	349,321	23,134,657
From 6 to 9 months	318,291	536,514
From 9 to 12 months	111,108	840,071
Over 12 months	391,952,986	345,323,538
No specific due date	243,856,134	203,083,870
Past-due		
Up to 3 months	25,587,453	28,531,003
From 3 to 6 months	936,105	1,305,540
From 6 to 9 months	—	186,033
From 9 to 12 months	—	88,834
Over 12 months	—	18,200
	757,151,313	**649,920,116**

	Jun 30, 2016	Dec 31, 2015
Debts (except Advanced payments of clients)		
Due within		
Up to 3 months	650,824,797	317,662,213
From 3 to 6 months	21,263,162	146,091,969
From 6 to 9 months	111,775,448	18,822,691
From 9 to 12 months	39,753,205	67,407,239
Over 12 months	471,473,360	383,162,098
No specific due date	293,303,790	333,267,061
Past-due		
Up to 3 months	46,733,282	28,629,152
From 3 to 6 months	—	141,928
From 6 to 9 months	—	—
From 9 to 12 months	—	139,787
	1,635,127,044	**1,295,324,138**

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

	Jun 30, 2016	Dec 31, 2015
Credits / Deferred Tax assets		
Accruing interests	26,228,574	1,536,188
Non accruing interests...	730,922,739	648,383,928
	757,151,313	**649,920,116**
Average nominal annual rate:..................................	**4%**	**8%**

	Jun 30, 2016	Dec 31, 2015
Debts		
Accruing interests	671,770,288	448,353,579
Non accruing interests..	963,356,756	846,970,559
	1,635,127,044	**1,295,324,138**
Average nominal annual rate:..................................	**27%**	**23%**

Note 31. Restricted assets

1. As a result of the funding obtained by Canfot S.A. by means of the 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 June 30, 2016 and December 31, 2015, the recorded value of the mortgaged property mentioned above totaled $ 214,318,112 and $ 411,620,358 (including land value and construction in progress) and is included under the entry “Inventory”.

As of April 7, 2016, and due to the loans repayments, the Company required and the bank accepted a partial mortgage release, related to the units that are included in Tower One of Forum Alcorta Project. As of the date of these financial statements, the Company has paid all obligations under this loan and the mortgage lien is in the process of being released.

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 provided 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 provided 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 June 30, 2016 and December 31, 2015, the recorded value of the mortgaged property mentioned above totals $118,835,293 and $115,429,796 (including land value and construction in progress), and is included under the entry “Inventory”.

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 provided 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 June 30, 2016 and December 31, 2015, the recorded value of the aforementioned mortgaged property amounts to $379,837,515 and $292,689,918 (including the value of the plot and construction in progress) and is included under the entry “Inventory”.

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 Banco de la Ciudad de Buenos Aires and as explained in Note 14, the Company provided a first-priority mortgage on the property where the Astor Núñez project is being developed.

As of June 30, 2016 and December 31, 2015, the recorded value of the mortgaged property mentioned above totals $417,478,153 and $354,453,825 (including land value and construction in progress), and is included under the entry “Inventory”.

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 provided a first-priority mortgage in favor of Servicios Portuarios S.A over said property. The mortgaged amount is US$24,000,000.

As of June 30, 2016 and December 31, 2015, the recorded value of the mortgaged property mentioned above totals $487,627,758 and $384,125,624 (including land value and construction in progress), and is included under the entry “Inventory”.

As of June 30, 2016 and December 31, 2015, the outstanding debt was $237,553,649 and $205,964,067, respectively, and is included under “Accounts payables” under current liabilities.

6. As mentioned in Note 33 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 provided 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 June 30, 2016 and December 31, 2015, the recorded value of the aforementioned mortgaged property amounts to $68,999,549 and $67,656,250 (including the value of the plot and construction in progress) and is included under the entry “Inventory”.

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 to 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. In first instance, 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 June 30, 2016 and December 31, 2015 include the sums of $3,005,378 and $2,584,383, respectively, under the entry “Cash and Cash Equivalents”, and the sums of $3,005,378 and $2,584,383, 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.

10. As a consequence of the financing obtained by MRL by means of the mortgaged-secured syndicated loan agreement entered into with banks Santander Río S.A. and Banco Ciudad de Buenos Aires S.A., as explained in Note 14, a mortgage lien was established on the property on which the Venice project is being developed, with the exception of the area called "La Anguilera". Additionally, the economic rights (including the rights to further collections) and all other rights originated in the existing and future purchase and sale contracts were ceded to the banks.

As of June 30, 2016 and December 31, 2015, the recorded value of the mortgaged property mentioned above totals $526,982,357 (including land value and construction in progress), and is included under the entry "Inventory".

11. As a consequence of the financing obtained by FDB by means of the mortgaged-secured syndicated loan agreement entered into with banks BBVA and Itaú, as explained in Note 14, a mortgage lien in the amount of US$16,000,000 was established on the property on which the Forum Puerto del Buceo project is being developed.

As of June 30, 2016, the recorded value of the mortgaged property mentioned above totals $1,397,553,431 (including land value and construction in progress), and is included under the entry "Inventory".

Note 32. Litigation

32.1. Health and Safety

There are no updates to mention as compared to our financial statements ended December 31, 2015.

32.2. Labor Claims

There are no updates to mention as compared to our financial statements ended December 31, 2015.

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 and Astor Caballito urban projects) 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 TGLT appeared in court as unsecured creditors, claiming credits for the amount of $ 9,085,156 and $1,293,689, respectively. On September 12, 2012 and December 17, 2014, the Court declared the credits admissible and a proposal with a write-off for 60% was approved. As of June 30, 2016, the recorded amount of this credit amounts to $1,637,653, as presented in Other credits.

32.4. Tax claims

Worksite Advertising and Fence

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 fence 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 June 30, 2016 and December 31, 2015, the outstanding liability totaled $50,150 and $103,961 (principal only), included in the entry "Other tax burden" under current liabilities.

32.5. 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 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.

32.6. Other claims

The following are updates that occurred during the periods relating to “Other claims”. For further information, please refer to our financial statements ended December 31, 2015.

- On December 2, 2013 Maltería del Puerto (merged with Canfot SA) was notified about a claim by Mr. Victor Cammarata 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. On June 9, 2016, an agreement between the parties established a payment by Canfot of $982,491, finalizing the claim. As a consequence, the Company has used the allowance of $587,250 and the difference of $395,241 was expensed in Other income and expenses, net.

- On June 25, 2013, TGLT and Maltería del Puerto SA initiated an extrajudicial mediation against Aseguradora de Cauciones Compañía de Secures to claim the collection of payment under insurance policies or satisfy the mediation requirement for future claims related to patrimony. The claim has been initiated as a consequence of IGM’s bankruptcy protection filing. IGM abandoned the construction of Forum Puerto Norte and Astor Caballito without returning financial advances granted by the companies (the subject of the above-referenced insurance policies claim) among other breaches of the construction contract and other damages to the Company. In March 2016, Canfot S.A. agreed with Aseguradora de Cauciones so as to receive a total amount of $1,200,000 in five consecutive monthly payments, four of $250,000 and the last one of $200,000. At the date of issuance of these financial statements, the Company has collected all payments. The claim presented by TGLT is in the discovery period.

Note 33. Interest in other companies—Acquisitions and transfers

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 a property 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 the date of these financial statements, TGLT had cancelled US$1,200,000.

As of June 30, 2016 and December 31, 2015, the sum to be cancelled amounted to $54,144,008 and $56,072,007, respectively, shown under “Other payables” within current liabilities for the amount of $18,048,008 and $9,128,007, respectively, and within the non-current liabilities for the amount of $36,096,000 and $46,944,000, 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. See Note 31.6.

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. On July 7, 2016, the CNV approved the transaction with a final approval pending from IGJ.

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. We continuously control our sales speed and we make adjustments to our marketing strategy, including prices and discounts policies, with the objective of ensure the operative financing of our projects. In some cases, we have also adjusted our products in response to the market evolution.

Risk of suppliers' contract default

The Company thoroughly evaluates the external contractors, both before and during performance of the contract, to reduce the risk of contractual default. The Company also requires insurance policies to cover the mentioned risks.

34.2. Financial Risks

Risks related to financing

TGLT accesses capital markets to finance additional costs with respect to project construction. Accordingly, we maintain permanent relations with the banking community and with national and international investors so as to obtain financing for our projects and refinancing our debts if it is needed.

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 construction loans granted to Forum Puerto del Buceo and a balance of corporate notes denominated in US dollars. 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. TGLT SA does not perform financial coverage transactions with speculative purposes. We estimate that an hypothetical depreciation of the exchange rate in one peso per US dollar would have resulted in a loss of approximately $21.5 million for the period ended June 30, 2016.

Risks related to interest rates

TGLT is exposed to risks related to interest rates in its investment portfolio and in its financial liabilities. Our liabilities, in most of the cases, are tied to a reference interest rate, Private BADLAR. Historically, the BADLAR rate level has been below the CAC index, the one we use to adjust our sales and construction contracts. We estimated that, in case of a hypothetical increase of 100 bps in BADLAR Private Rate, our loss before taxes would have suffered a loss of $524,201 approximately, and $384,218 would have been capitalized as inventory in the six-month period ended June 30, 2016.

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.

Liquidity risks

TGLT's financing strategy seeks to preserve adequate financing resources and access to additional liquidity.

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.

During the first six months of 2016, $98.9 million of operating cash flow was used, with $509.1 used in increases of inventory with $378.9 million originated in collections of sales. Additionally, $199.3 million was obtained by the issuance of corporate notes Class X and two loans for projects Forum Puerto del Buceo and Venice, with cash and cash equivalents balance ending in $191.4 million.

Note 35. Financial instruments

During 2016, TGLT SA carried out hedging operations 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. No balance for this transaction is outstanding as of June 30, 2016 and December 31, 2015.

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 period ended on 30.06.2016 .	-	6	7	2	39	31	39	124
In the period ended on 30.06.2015 .	2	9	29	6	35	53	28	162
Cumulative as of 30.06.2016..........	452	153	221	207	287	310	442	2,072
Percentage of launched units	*100%*	*99%*	*65%*	*99%*	*96%*	*66%*	*46%*	*61%*
(2) SECURED SALES								
In the period ended on 30.06.2016 .	-	69.2	70.7	7.4	111.5	67.0	61.0	386.8
In the period ended on 30.06.2015 .	2.5	84.5	88.9	16.9	62.7	82.9	40.1	378.5
Cumulative as of 30.06.2016..........	426.5	1,102.3	1,198.7	370.0	510.0	557.2	567.4	4,732.1
(3) ADVANCES OF CLIENTS(*)								
In the period ended on 30.06.2016 .	(0.3)	(186.9)	245.8	87.6	113.7	86.2	126.6	472.7
In the period ended on 30.06.2015 .	(21.5)	(185.1)	110.7	4.2	75.3	60.9	19.1	63.6
Cumulative as of 30.06.2016..........	11.3	139.1	1,308.2	357.8	447.3	377.0	330.4	2,971.1
(4) REVENUE PER SALES								
In the period ended on 30.06.2016 .	2.9	271.0	-	11.8	35.7	-	10.3	331.7
In the period ended on 30.06.2015 .	30.7	304.3	-	34.6	-	-	5.2	374.8
Cumulative as of 30.06.2016..........	421.6	931.4	-	308.9	48.4	-	-	1,710.3
(5) SALES RECEIVABLE								
Cumulative as of 30.06.2016..........	1.7	14.9	-	3.4	-	-	0.2	20.2
(6) BALANCE RECEIVABLE(3) Of funds delivered	1.9	66.4	149.9	3.9	46.4	191.8	336.8	797.1

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.

(3) The amount in Balance Receivable is calculated on cost basis only, without considering swap revaluations effects in advances of clients.

(*) Negative values represent deliveries.

36.3. Information on Inventory and investment budget

	FPN	FFA	FPB(1)	ASP	ASN	VEN	Others(2)	TOTAL
INVENTORY								
(7) INVENTORY								
As of 30.06.2016 (six-month period) ...	(5.2)	(197.3)	326.4	87.1	63.0	124.6	110.5	509.1
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 30.06.2016.....................	13.0	294.7	1,253.5	290.8	399.7	445.3	599.1	3,296.1
Accrued as of 30.06.2016 (net of interests)	9.9	214.3	1,397.6	379.8	417.5	527.0	679.6	3,625.7
(8) COST OF SOLD PRODUCTS								
In the period ended on 30.06.2016	8.0	229.5	-	11.0	30.7	-	2.3	281.5
In the period ended on 30.06.2015	27.1	221.5	-	28.7	-	-	1.1	278.4
Accrued as of 30.06.2016.....................	515.8	713.3	-	270.5	47.1	-	-	1,546.7
Accrued as of 30.06.2016 (net of interests)	496.8	635.8	-	232.3	41.9	-	-	1,406.8

(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 Statement, Assets and Liabilities

Fiscal period ended on June 30, 2016	FPN	FFA	FPB	ASP	ASN	VEN	Others(1)	TOTAL
(LOSS) INCOME BALANCE								
Gross income per segment	**(5,1)**	**41.5**	**-**	**0.8**	**5.0**	**-**	**8.0**	**50.2**
Gross Margin	*(178,3%.)*	*15.3%*	*-*	*6.8%*	*14.0%*	*-*	*76.8%*	*15%*
Commercialization and management expenses								(98.8)
Other financial results and for holding, net								(54.2)
Other expenses								(0.3)
Loss for the period before income tax								**(103.0)**
FINANCIAL STATEMENT								
ASSETS								
Inventory								
In building process	-	-	1.397.6	-	417.5	527.0	679.5	3.021.6
Finished units	9,9	214.3	-	379.9	-	-	-	604.1
Assets per segment	**9,9**	**214.3**	**1.397.6**	**379.8**	**417.5**	**527.0**	**679.6**	**3.625.7**
Trade and other receivables	1,7	14.9	-	3.4	-	-	0.2	20.2
Goodwill	-	79.4	-	-	10.6	21.4	-	111.4
Other current assets								539.3
Other non-current assets								435.6
TOTAL ASSETS								**4.732.2**
Advances in local and foreign currency	11,3	139.1	1.308.2	357.8	447.3	377.0	330.4	2.971.1
Short-term financial debt	-	20.0	277.4	-	51.8	45.0	115.3	509.5
Long-term financial debt						35.9	104.6	140.5
Other current liabilities								654.1
Other non-current liabilities								331.0
TOTAL LIABILITIES								**4.606.2**

Fiscal period ended on June 30, 2015	FPN	FFA	FPB	ASP	ASN	VEN	Others(1)	TOTAL
(LOSS) INCOME BALANCE								
Gross income per segment	**3.6**	**82.8**	**-**	**5.8**	**-**	**-**	**4.2**	**96.4**
Gross Margin	*11.7%*	*27.2%*	*-*	*16.8%*	*-*	*-*	*79.6%*	*26%*
Commercialization and management expenses								(65.4)
Other financial results and for holding, net								(16.5)
Other expenses								(0.2)
Loss for the period before income tax								**14.4**

Fiscal year ended on December 31, 2015	FPN	FFA	FPB	ASP	ASN	VEN	Others(1)	TOTAL
FINANCIAL STATEMENT								
ASSETS								
Inventory								
In building process	-	-	1,071.2	-	354.5	402.3	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**	**569.1**	**3,116.6**
Trade and other receivables	2.5	25.0	-	3.6	-	-	-	31.1
Goodwill	-	79.4	-	-	10.6	21.4	-	111.4
Other current assets								368.6
Other non-current assets								390.7
TOTAL ASSETS								**4,018.4**
Advances in local and foreign currency	11.5	326.0	1,062.4	270.2	333.6	290.8	203.9	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								529.8
Other non-current liabilities								324.5
TOTAL LIABILITIES								**3,803.3**

(1) 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:

	Jun 30, 2016	Jun 30, 2015
Result used for calculating earnings per basic share	(75,103,857)	(5.087.240)
Average estimated number of ordinary shares for purposes of earnings per basic share (all estimations)	70,349,485	70.349.485
Earnings per share	**(1.07)**	**(0.07)**

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 June 30, 2016 and 2015.

Note 38. Assets and liabilities in foreign currency

	Jun 30, 2016			Dec 31, 2015
	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$1,835	**14.940**	27,502	36,007
	UYU32,071	**0.490**	15,715	19,798
			43,217	55,805
Banks	US$3,864,839	**14.940**	57,920,891	14,572,580
	UYU767,304	**0.490**	375,979	233,323
			58,296,870	14,805,903
Certificate of deposits	US$2,013,687	**14.940**	30,185,168	-
	US$199,826	**15.040**	3,005,378	2,584,383
Mutual funds	US$250,000	**14.940**	3,734,993	6,051,016
Bonds and titles	US$4,229,375	**14.940**	63,388,831	60,957,008
Accounts and other receivables:				
Debtors per sale of goods	US$1,070,986	**14.940**	16,000,528	22,813,020
Allowance for bad debts	US$(59,470)	**14.940**	(888,489)	-
Debtors for services rendered	US$831	**14.940**	12,439	4,956
Other receivables:				
Value added Tax	UYU183,432,141	**0.490**	89,881,749	47,722,207
Net Worth Tax	UYU57,727	**0.490**	28,286	3,766,294
Advance payments to work suppliers	US$2,406,145	**14.940**	36,065,086	17,021,919
	UYU37,014,439	**0.490**	18,137,075	2,006,786
			54,202,161	19,028,705
Security deposits	US$54,600	**14.940**	816,204	707,004
Insurance to be accrued	US$71,641	**14.940**	1,071,274	1,634,969
	UYU33,529	**0.490**	16,429	35,956
			1,087,703	1,670,925
Expenses to be accounted for	US$6,766	**14.940**	101,422	48,141
Collectable fund for equipment	US$298.168	**14.940**	4.454.628	3,332,822
Sundry	US$1,364	**14.940**	20,447	17,718
Receivables from related parties:				
Accounts receivable	US$395,571	**14.940**	5,909,832	74,056
Total current assets			330,281,367	183,639,963
Non current assets				
Other receivables:				
Security deposits	UYU112,914	**0.490**	55,328	49,011
Insurance to be accrued	US$21,144	**14.940**	315,897	—
Deferred ax assets:				
Federal Tax	UYU57,880	**0.490**	28,361	—
Total non-current assets			399,586	49,011
Total assets			**330,680,953**	**183,688,974**

	Jun 30, 2016			Dec 31, 2015
	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$2,271,957	**15.040**	34,091,512	9,676,702
	UYU79,140,012	**0.490**	38,778,606	27,154,391

			72,870,118	36,831,093
Deferred checks	US$894,267	**15.040**	13,405,062	8,987,989
	UYU6,074,927	**0.490**	2,976,714	577,847
			16,381,776	9,565,836
Provision for expenses	US$32,870	**15.040**	492,721	953,414
	UYU—	**0.490**	—	50,661
			492,721	1,004,075
Provisions for works	US$401,960	**15.040**	6,025,380	2,120,916
	UYU55,513,110	**0.490**	27,201,424	4,950,099
			33,226,804	7,071,015
Insurance payable	US$126,576	**15.040**	1,903,709	1,703,863
Contingency fund	US$292,487	**15.040**	4,385,193	1,576,024
	UYU24,710,190	**0.490**	12,107,993	5,721,948
			16,493,186	7,297,972
Building permit	UYU35,188,263	**0.490**	17,242,249	21,978,955
Creditors per real estate purchase	US$15,794,790	**15.040**	237,553,649	205,964,067
Short-term financial debt:				
Short-term financial debt received	US$11,588,207	**15.040**	173,815,728	109,865,697
Mortgage-backed bank borrowings	US$$9,085,626	**15.040**	136,193,526	25,729,155
Corporate notes	US$699,039	**15.040**	10,513,544	27,311,236
Salaries and social security:				
Fees and wages payable	UYU2,123,441	**0.490**	1,040,486	1,003,335
Social Security payables	UYU302,369	**0.490**	148,161	112,338
13th Salary and holidays accrued	UYU1,227,008	**0.490**	601,234	374,035
Other tax burdens:				
Municipal tax payment plan	US$1,092,810	**15.040**	16,435,860	—
Net worth tax provision	UYU9,806,245	**0.490**	4,805,060	—
Withholdings and collections to be deposited	UYU3,283,055	**0.490**	1,608,697	721,192
Outstanding sums due to related parties:				
Borrowings	US$—	**15.040**	—	17,682,838
Other accounts payable:				
Sundry creditors	US$540,959	**15.040**	8,136,027	2,584,383
Debt per purchase of shares	US$1,200,000	**15.040**	18,048,008	9,128,007
Current tax liabilities				
Net Income Tax	$U248,437	**0.490**	121,734	43,815
Total current liabilities			767,632,277	468,290,069
Non-current liabilities				
Trades payable:				
Building permit	UYU18,651,351	**0.490**	9,139,162	8,780,560
Other tax burdens:				
Municipal tax payment plan	US$91,067	**15.040**	1,369,655	—
Other payables:				
Debt by purchase of shares	US$2,400,000	**15.040**	36,096,000	46,944,000
Total non-current liabilities			46,604,817	55,724,560
Total liabilities			**814,237,094**	**524,014,629**

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 a 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.

Finally, buyers will be able to transfer all of their rights and obligations to: (i) a commercial company in which directly they hold 100% of its share capital; or (ii) a management trust. In such cases, the deed and delivery of possession will be made in favor of the company or trustee of the trust administration, as appropriate in each case.

As of June 30, 2016 and December 31, 2015, investment property under construction was $33,982,479 and $34,326,685, respectively.

Note 40. Determination of fair values

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 June 30, 2016 and December 31, 2015 were as follows:

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	89,239,777	102,131,520	3,005,378	194,376,675
Accounts and other receivable	—	20,240,168	—	20,240,168
Other credits	—	331,644,089	—	331,644,089
Receivables from related parties	—	14,081,642	—	14,081,642
Total assets as of June 30, 2016	**89,239,777**	**468,097,419**	**3,005,378**	**560,342,574**

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	—	520,419,181	520,419,181
Financial debt	441,339	649,562,927	650,004,266
Other accounts payable	—	69,454,168	69,454,168
Outstanding sums with related parties	—	35,418,353	35,418,353
Total liabilities as of June 30, 2016	**441,339**	**1,274,854,629**	**1,275,295,968**

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	73,127,690	19,361,250	2,584,383	95,073,323
Accounts and other receivable	—	31,119,108	—	31,119,108
Other credits	—	266,354,607	—	266,354,607
Receivables from related parties	—	7,952,268	—	7,952,268
Total assets as of December 31, 2015	**73,127,690**	**324,787,233**	**2,584,383**	**400,499,306**

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	—	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**

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 trade 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 June 30, 2016 and December 31, 2015 are as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	89.239.777	—	—	89.239.777
Financial Instruments	—	—	—	—
Total as of June 30, 2016	**89.239.777**	**—**	**—**	**89.239.777**
Liabilities				
Other Financial Liabilities	441.339	—	—	441.339
Total as of June 30, 2016	**441.339**	**—**	**—**	**441.339**

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	73,127,690	—	—	73,127,690
Total as of December 31, 2015	**73,127,690**	**—**	**—**	**73,127,690**
Liabilities				
Other Financial Liabilities	276,076	—	—	276,076
Total as of December 31, 2015	**276,076**	**—**	**—**	**276,076**

Note 41. Share Capital Reduction

During the fiscal year ended December 31, 2015, the Company incurred significant losses, which, when combined with prior losses, 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.

At the Extraordinary Shareholders’ Meeting held on April 14, 2016, the absorption of accumulated losses with the issuance premium was approved.

Note 42. 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 Nº 2074/13) for such action have not been completed.

On April 14, 2016, our Shareholders' Meeting approved the issuance of 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 43. Accounting policy for the recognition of rental income

The acquisition of Astor San Telmo property was made with the purpose of developing a residential complex in a major part of the site, while a minor part represents investment property that produces rental income. The existing rental rates defined in the contract transferred to us are at fair market value. This rental contract is recognized in accordance with paragraph 50 of IAS 17, on a straight-line basis over the lease term expiring in April 2018. We have recorded this rental income in Other income and expenses, net considering that this rental contract is nonrecurring in the course of the Company's current ordinary business of residential real estate development.

Note 44. Resolutions of the Shareholders' Meeting

On April 14, 2016, 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 stock by $345,000,000, i.e., from $70,349,485 to $415,349,485 through the issuance of $345,000,000 in common shares with a share issue premium between $13 and $24 to be offered for subscription in Argentina and/or abroad; (iv) file a registration statement with the SEC and apply to list 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 relating to a new plan of development and growth and 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 and exchange requirements. Management believes that this capital increase, if successfully completed, will increase the Company's working capital and enhance its financial results and flexibility, as well as reduce the Company's dependence on external debt financing that carries high financial costs.

Note 45. Approval of the financial statements

These consolidated financial statements as of June 30, 2016 have been approved by the Company's Board of Directors on August 9, 2016.

Note 46. Subsequent events after June 30, 2016

Below we describe significant events that took place after June 30, 2016:

On July 20, 2016, we issued Class XII corporate notes for $96,666,666 maturing in full on January 22, 2018 which will bear an interest at the Private BADLAR plus 600 bps, except for the first three months during which the note will accrue interest at 32% per annum. The funds were received on July 20, 2016.

On July 1, 2016, the Federal Criminal and Correctional Court of San Isidro, which we refer to as the Federal Court, decided to suspend the construction of our project Venice until such time as we have proved that we have obtained an environmental impact authorization from the Agency for Sustainable Development of the Province of Buenos Aires, or OPDS.

We believe we have obtained all required administrative permits and have complied with all required procedures, of the municipality of Tigre with respect to this project, and the project has been approved by the municipality. The Municipality of Tigre issued the final permits to execute the construction of the project (considering, among other items, the environmental impact authorization). The OPDS did not assert jurisdiction over the environmental aspects of the project at the time despite the fact that it was reviewing other aspects of the project. On July 4, 2016, MRL completed the administrative procedures with the OPDS so as to get the authorization to continue with some construction stages. Authorization for the remaining stages is still being sought. MRL filed an appeal for the reversal of the existing Federal Court injunction on July 6, 2016, requesting that the injunction be lifted so as to allow continuation of construction in accordance with the OPDS approval but this request was denied on July 25, 2016. Until such time as the Federal Court vacates the suspension, construction of this project will remain on hold. We plan to resume construction promptly upon the suspension being lifted.

On August 8, 2016, the deed of title of the site where Astor San Telmo will be developed was transferred to the Company.

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 June 30, 2016, or the income for the period ended on such date.