

Buenos Aires, December 14, 2016

**Mercado Abierto Electrónico S.A.
Buenos Aires Stock Exchange
National Securities Commission**

**Ref.: Relevant Fact –
Merger of TGLT S.A., as acquiring company,
and Canfot S.A., as acquired company**

Dear Sirs,

We are pleased to contact you on behalf of TGLT SA (“TGLT” or the “Company”) in order to inform that at the boards meeting of the Company, held on December 13, 2016 from 3:15 pm to 5 pm, it has been resolved, among other issues, to approve the execution of the Prior Merger Agreement between TGLT and Canfot S.A (“CANFOT”), a subsidiary wholly owned by the Company and which hold one hundred per cent (100%) of the shares with voting rights, with the purpose of implementing a merger by absorption, being the Company the acquiring and surviving company and CANFOT as the acquired Company, subject to the provisions set forth and subject to the terms of Sections 82 to 87 of the Argentine Companies Law No 19550 and amendments and other applicable rules and regulations.

Said merger shall simplify the structure of the Company and CANFOT and it will allow to take advantage of the benefits derived from a centralized management and also avoid duplication of company structures which entail unnecessary double expenses.

The merger by absorption shall be executed on the basis of: (i) Special Consolidated Balance Sheet of the Merger by Absorption of Canfot S.A. as to September 30, 2016 (ii) Special and Individual Consolidated Balance Sheet of TGLT.A. as to September 30, 2016 (nine-month period); and (iii) Financial Statements of Canfot S.A. as to September 30, 2016 for the nine-month irregular period initiated on January 1, 2016.

Due to the fact that TGLT owns one hundred percent (100%) of CANFOT’s shares of stock and that the assets and liabilities of CANFOT have already been incorporated by consolidation to TGLT’s capital, and all this has been duly detailed on the financial statements of the latter, TGLT shall not issue shares of stock on the basis of the incorporation of CANFOT’s capital and, consequently, the Prior Merger Agreement does not expressly provide for an exchange of shares.

Finally, the planned restructuring of the company is subject to the approval by the shareholders’ meeting of TGLT and CANFOT, respectively, and by the corresponding controlling entities.

Yours Sincerely,

TGLT S.A.

Rafael I. Soto
Director of Investor Relations