

**CAP CANA, S. A.**

Unconsolidated Statement of Financial Position

December 31, and September 30, 2011

<u>Assets</u>	<u>December 31,</u> <u>2011</u>	<u>September 30,</u> <u>2011</u>	<u>Three months</u> <u>4to Q 2011</u>
Cash and cash equivalents	520,754	331,668	189,086
Deposits in escrow	194,632	194,632	-
Accounts receivable			
Customers	141,414,153	143,707,121	(2,292,968)
Shareholders and related parties	26,450,126	19,143,306	7,306,820
Employees	4,805	16,065	(11,260)
Other receivables	7,757,854	10,299,284	(2,541,430)
	<u>175,626,938</u>	<u>173,165,776</u>	<u>2,461,162</u>
Allowance for doubtful accounts	(2,473,413)	(3,451,711)	978,298
Total accounts receivable	<u>173,153,525</u>	<u>169,714,065</u>	<u>3,439,460</u>
Prepayments	329,657	460,507	(130,850)
Construction materials and supplies inventory	21,799,215	22,680,566	(881,351)
Advances to contractors	19,657,543	18,936,974	720,569
Real estate project in progress	416,086,184	432,814,068	(16,727,884)
Deferred direct selling costs, net	42,289,031	44,745,617	(2,456,586)
Land for future development and sale	135,322,432	135,322,432	-
Investment in subsidiaries	44,974,066	42,446,866	2,527,200
Available for sale investment	4,400,069	4,400,069	-
Investment in associates	401,027	401,027	-
Property and equipment, net	415,222,716	424,511,265	(9,288,549)
Other assets	1,175,108	1,495,743	(320,635)
	<u>\$ <u>1,275,525,959</u></u>	<u><u>1,298,455,499</u></u>	<u><u>(22,929,540)</u></u>

<u>Liabilities and Shareholders' Equity</u>	<u>December 31,</u> <u>2011</u>	<u>September 30,</u> <u>2011</u>	<u>Three months</u> <u>4to Q 2011</u>
Notes payable:			
Banks	\$ 5,144,821	6,985,864	(1,841,043)
Shareholders and related parties	1,128,987	985,177	143,810
Total notes payable	<u>6,273,808</u>	<u>7,971,041</u>	<u>(1,697,233)</u>
Accounts payable:			
Suppliers	30,994,244	40,989,283	(9,995,039)
Shareholders and related parties	20,593,926	19,795,844	798,082
Other payable	4,611,800	1,499,896	3,111,904
Total accounts payable	<u>56,199,970</u>	<u>62,285,023</u>	<u>(6,085,053)</u>
Commercial papers	25,070,000	25,125,000	(55,000)
Accrued expenses and withholdings	94,822,526	101,328,743	(6,506,217)
Deferred revenues, net	58,473,731	44,288,698	14,185,033
Customer deposits	238,388,694	220,927,275	17,461,419
Long-term payable	11,760,021	11,681,874	78,147
Long-term debt, net	<u>243,402,300</u>	<u>274,155,794</u>	<u>(30,753,494)</u>
Total liabilities	<u>734,391,050</u>	<u>747,763,448</u>	<u>(13,372,398)</u>
Shareholders' equity :			
Share capital	269,826,458	269,826,458	-
Traslation reserve	248,007	248,007	-
Legal reserve	16,613,762	17,091,619	(477,857)
Retained earnings	<u>254,446,682</u>	<u>263,525,967</u>	<u>(9,079,285)</u>
Total shareholders' equity	<u>541,134,909</u>	<u>550,692,051</u>	<u>(9,557,142)</u>
	 <u>\$ 1,275,525,959</u>	 <u>1,298,455,499</u>	 <u>(22,929,540)</u>

**CAP CANA, S. A.**

Unconsolidated Income Statement  
September 30, 2011 and June 30, 2011

	<u>December 31,</u> <u>2011</u>	<u>September 30,</u> <u>2011</u>	<u>Three months</u> <u>4to Q 2011</u>
Revenues:			
Sales of real estate products	\$ 103,283,540	106,785,963	(3,502,423)
Revenues from other operations	<u>6,814,763</u>	<u>5,147,996</u>	<u>1,666,767</u>
Total revenues from operations	<u>110,098,303</u>	<u>111,933,959</u>	<u>(1,835,656)</u>
Costs :			
Cost of sales of real estate products	60,541,527	75,393,466	(14,851,939)
Other operating costs	<u>3,356,432</u>	<u>2,751,570</u>	<u>604,862</u>
Total costs	<u>63,897,959</u>	<u>78,145,036</u>	<u>(14,247,077)</u>
Gross profit	<u>46,200,344</u>	<u>33,788,923</u>	<u>12,411,421</u>
Other income	33,090,917	37,671,821	(4,580,904)
General and administrative expenses			
Sales commissions	4,217,155	2,401,163	1,815,992
Personnel expenses	5,122,848	4,290,442	832,406
Advertising and public relations	584,444	220,400	364,044
Depreciation	13,769,797	10,558,010	3,211,787
Other general and administrative expenses	<u>24,172,203</u>	<u>16,673,506</u>	<u>7,498,697</u>
	<u>47,866,447</u>	<u>34,143,521</u>	<u>13,722,926</u>
Results from operating activities	<u>31,424,814</u>	<u>37,317,223</u>	<u>(5,892,409)</u>
Financing cost, net:			
Finance cost	(14,956,570)	(9,897,346)	(5,059,224)
Finance income	3,382,732	2,812,010	570,722
Foreign currency exchange gain, net	<u>(1,610,160)</u>	<u>(2,433,929)</u>	<u>823,769</u>
	<u>(13,183,998)</u>	<u>(9,519,265)</u>	<u>(3,664,733)</u>
Net income	<u>\$ 18,240,816</u>	<u>27,797,958</u>	<u>(9,557,142)</u>

**CAP CANA, S. A.**

Unconsolidated Statements of Changes in Equity

September 30, 2011 and June 30, 2011  
(Amounts in US Dollar)

	Common Stock		<u>Legal Reserve</u>	Translation <u>Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>Number of Shares</u>	<u>Amount</u>				
Balances at December 31, 2010	5,168,947	\$ 269,826,458	15,701,721	248,007	237,117,907	522,894,093
Net income	-	-	-	-	27,797,958	27,797,958
Transfer to legal reserve	-	-	1,389,898	-	(1,389,898)	-
Balances at September 30, 2011	5,168,947	269,826,458	17,091,619	248,007	263,525,967	550,692,051
Net income	-	-	-	-	(9,557,142)	(9,557,142)
Transfer to legal reserve	-	-	(477,857)	-	477,857	-
Balances at December 31, 2011	<b><u>5,168,947</u></b>	<b><u>\$ 269,826,458</u></b>	<b><u>16,613,762</u></b>	<b><u>248,007</u></b>	<b><u>254,446,682</u></b>	<b><u>541,134,909</u></b>

**CAP CANA, S. A.**

Unconsolidated Statements of Cash Flows  
September 30, 2011 and June 30, 2011

	<u>December 31,</u> <u>2011</u>	<u>September 30,</u> <u>2011</u>	<u>Three months</u> <u>4to Q 2011</u>
Cash flows from operating activities:			
Net income	\$ 18,240,816	27,797,958	(9,557,142)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation	13,769,797	10,558,010	3,211,787
Impairment loss on real estate project in progress	13,000,000	8,000,000	5,000,000
Gain on disposal of property and equipment	638,095	(3,020,570)	3,658,665
Gain in equity accounted investee	(400,000)	(400,000)	-
Gain on debt extinguishment	(29,782,811)	(31,533,848)	1,751,037
Finance cost	14,956,570	9,897,346	5,059,224
Changes in assets and liabilities:		-	
Decrease (increase) in:		-	
Deposits in escrow	180,955	180,955	-
Accounts receivable from customers	(37,522,627)	(22,039,106)	(15,483,521)
Accounts receivable from shareholders and related parties	14,786,685	(2,832,387)	17,619,072
Accounts receivable from employees	32,251	20,991	11,260
Other trade receivables	(3,236,131)	(4,799,263)	1,563,132
Prepayments	1,153,772	1,022,922	130,850
Construction materials and supplies inventory	1,685,409	804,058	881,351
Advances to contractors	4,114,711	4,835,280	(720,569)
Real estate project in progress	(26,801,943)	(34,591,471)	7,789,528
Deferred direct selling costs, net	6,369,518	3,912,932	2,456,586
Other assets	663,896	343,261	320,635
Increase (decrease) in:		-	
Accounts payable to suppliers	(16,521,081)	1,845,348	(18,366,429)
Accounts payable to shareholders and related parties	(1,763,593)	1,987,651	(3,751,244)
Other accounts payable	277,849	479,696	(201,847)
Accrued expenses and withholdings	(135,203)	11,430,238	(11,565,441)
Deferred revenues	24,842,981	10,657,948	14,185,033
Customer deposits	2,983,979	6,226,285	(3,242,306)
Net cash provided by (used in) operating activities	<u>1,533,895</u>	<u>784,234</u>	<u>749,661</u>

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**CAP CANA, S. A.**

Unconsolidated Statements of Cash Flows, Continued  
(Amounts in US Dollar)

	<u>December 31,</u> <u>2011</u>	<u>September 30,</u> <u>2011</u>	<u>Three months</u> <u>4to Q 2011</u>
Cash flows from investing activities:			
Proceeds from disposal of properties and equipment	3,580,878	2,446,686	1,134,192
Adquisition of property and equipment	-	-	-
Net cash used in investing activities	<u>3,580,878</u>	<u>2,446,686</u>	<u>1,134,192</u>
Cash flows from financing activities:			
Debt and notes payable	1,537,930	766,184	771,746
Payment of debt and notes payable	(8,639,652)	(6,228,139)	(2,411,513)
Issuance of commercial paper	860,000	795,000	65,000
Payment of commercial papers	(345,000)	(225,000)	(120,000)
Net cash used in financing activities	<u>(6,586,722)</u>	<u>(4,891,955)</u>	<u>(1,694,767)</u>
Net increase (decrease) in cash and cash equivalents	(1,471,949)	(1,661,035)	189,086
Cash and cash equivalents at beginning of year	<u>1,992,703</u>	<u>1,992,703</u>	<u>-</u>
Cash and cash equivalents at end of period	<u>\$ <b>520,754</b></u>	<u><b>331,668</b></u>	<u><b>189,086</b></u>