

CAP CANA, S. A.

Unconsolidated Statement of Financial Position

<u>Assets</u>	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Cash and cash equivalents	2,082,952	1,670,457
Deposits in escrow	375,587	807,294
Accounts receivable		
Customers	125,924,905	93,732,057
Shareholders and related parties	37,459,006	31,626,040
Employees	36,754	278,131
Other receivables	6,264,337	6,307,334
	169,685,002	131,943,562
Allowance for doubtful accounts	(1,987,177)	(2,644,310)
Total accounts receivable	167,697,825	129,299,252
Prepayments	1,483,429	1,751,774
Construction materials and supplies inventory	23,484,624	29,493,436
Advances to contractors	24,329,622	15,151,914
Real estate project in progress	417,080,998	384,845,910
Deferred direct selling costs, net	46,448,840	34,578,497
Land for future development and sale	135,322,432	144,070,235
Investment in subsidiaries	42,436,821	26,266,116
Available for sale investment	4,400,069	5,308,718
Investment in associates	1,027	1,027
Property and equipment, net	433,577,845	451,640,577
Other assets	1,839,004	2,491,916
	\$ 1,300,561,075	1,227,377,123

<u>Liabilities and Shareholders' Equity</u>	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Notes payable:		
Banks	\$ 14,750,916	13,844,544
Shareholders and related parties	1,175,803	175,982
Total notes payable	<u>15,926,719</u>	<u>14,020,526</u>
Accounts payable:		
Suppliers	41,183,738	46,225,475
Shareholders and related parties	20,840,547	23,385,336
Other payable	466,210	379,817
Total accounts payable	<u>62,490,495</u>	<u>69,990,628</u>
Commercial papers	32,455,000	8,765,000
Accrued expenses and withholdings	82,458,839	61,304,096
Deferred revenues, net	42,379,660	28,357,209
Customer deposits	214,777,050	231,261,801
Long-term payable	12,301,229	14,199,870
Long-term debt, net	<u>307,473,067</u>	<u>284,149,082</u>
Total liabilities	<u>770,262,059</u>	<u>712,048,212</u>
Shareholders' equity :		
Share capital	269,826,458	269,826,458
Reserves	16,319,974	15,571,469
Retained earnings	244,152,584	229,930,984
Total shareholders' equity	<u>530,299,016</u>	<u>515,328,911</u>
	<u>\$ 1,300,561,075</u>	<u>1,227,377,123</u>

CAP CANA, S. A.

Unconsolidated Income Statement
For the year ended December 31, 2010 and 2009

	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Revenues:		
Sales of real estate products	\$ 86,199,107	88,690,509
Revenues from other operations	<u>14,671,282</u>	<u>14,732,031</u>
Total revenues from operations	<u>100,870,389</u>	<u>103,422,540</u>
Costs :		
Cost of sales of real estate products	37,471,795	44,927,503
Other operating costs	<u>6,862,470</u>	<u>8,824,702</u>
Total costs	<u>44,334,265</u>	<u>53,752,205</u>
Gross profit	<u>56,536,124</u>	<u>49,670,335</u>
Other income	29,054,127	143,380,128
General and administrative expenses		
Sales commissions	942,542	13,604,769
Personnel expenses	11,498,903	17,098,439
Advertising and public relations	2,033,799	1,618,644
Depreciation	15,720,057	17,422,701
Other general and administrative expenses	<u>27,957,044</u>	<u>59,112,620</u>
Results from operating activities	<u>27,437,906</u>	<u>84,193,290</u>
Financing cost, net:		
Finance cost	(15,252,671)	(19,155,720)
Finance income	3,641,967	2,624,467
Foreign currency exchange gain, net	<u>(857,097)</u>	<u>632,503</u>
Net income	<u>\$ <u>14,970,105</u></u>	<u>68,294,540</u>

CAP CANA, S. A.

Unconsolidated Statements of Changes in Equity

For the year ended December 31, 2010 and 2009
(Amounts in US Dollar)

	Common Stock		<u>Legal Reserve</u>	Translation Reserve	<u>Retained Earnings</u>	<u>Total</u>
	<u>Number of Shares</u>	<u>Amount</u>				
Balances at December 31, 2008	5,168,947	\$ 269,826,458	11,908,735	248,007	165,051,171	447,034,371
Net income	-	-	-		68,294,540	68,294,540
Transfer to legal reserve	-	-	<u>3,414,727</u>	-	<u>(3,414,727)</u>	-
Balances at December 31, 2009	5,168,947	269,826,458	15,323,462	248,007	229,930,984	515,328,911
Net income	-	-	-	-	14,970,105	14,970,105
Transfer to legal reserve	-	-	<u>748,505</u>	-	<u>(748,505)</u>	-
Balances at December 31, 2010	<u>5,168,947</u>	<u>\$ 269,826,458</u>	<u>16,071,967</u>	<u>248,007</u>	<u>244,152,584</u>	<u>530,299,016</u>

CAP CANA, S. A.

Unconsolidated Statements of Cash Flows
For the year ended December 31, 2010 and 2009

	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Cash flows from operating activities:		
Net income	\$ 14,970,105	68,294,540
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Allowance for doubtful accounts	(657,133)	1,018,252
Amortization of deferred revenue	-	(30,423,011)
Depreciation	15,720,057	17,422,701
Loss (gain) in equity accounted investee	-	-
Loss in exchange of Senior Secured Notes	-	8,360,600
Gain on disposal of investments	-	-
Gain on disposal of property and equipment	446,935	(1,231,463)
Gain on debt extinguishment	(24,858,545)	(106,697,888)
Changes in assets and liabilities:		
Decrease (increase) in:		
Deposits in escrow	431,707	4,293,293
Accounts receivable from customers	(32,192,848)	(31,513,774)
Accounts receivable from shareholders and related parties	(5,832,966)	14,900,049
Accounts receivable from employees	241,377	136,795
Other trade receivables	42,997	1,392,451
Prepayments	268,345	(170,124)
Construction materials and supplies inventory	6,008,812	6,148,338
Advances to contractors	(6,090,608)	40,937,787
Real estate project in progress	(31,301,947)	(18,031,678)
Land for future development and sale	-	-
Deferred direct selling costs, net	(570,414)	(2,806,763)
Other assets	652,912	(565,116)
Increase (decrease) in:		
Accounts payable to suppliers	19,816,808	17,959,355
Accounts payable to shareholders and related parties	10,695,211	11,189,745
Other accounts payable	(1,812,248)	(239,831)
Accrued expenses and withholdings	9,854,814	3,147,466
Deferred revenues	14,022,451	43,051,393
Customer deposits	(16,484,751)	(9,556,133)
Net cash provided by (used in) operating activities	<u>(26,628,929)</u>	<u>37,016,984</u>

(cont)

CAP CANA, S. A.

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

	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Cash flows from investing activities:		
Available for sale investment	-	(1,016,670)
Proceeds from disposal of investments in associates	-	-
Proceeds from disposal of properties and equipment	2,220,541	17,337,252
Acquisition of property and equipment	(8,609,540)	(35,990,174)
Net cash used in investing activities	<u>(6,388,999)</u>	<u>(19,669,592)</u>
Cash flows from financing activities:		
Debt and notes payable	37,475,384	25,370,261
Payment of debt and notes payable	(7,994,961)	(24,310,418)
Issuance of commercial paper	6,230,000	9,380,000
Payment of commercial papers	(2,280,000)	(27,560,000)
Net cash used in financing activities	<u>33,430,423</u>	<u>(17,120,157)</u>
Net increase (decrease) in cash and cash equivalents	412,495	227,235
Cash and cash equivalents at beginning of year	<u>1,670,457</u>	<u>1,443,222</u>
Cash and cash equivalents at end of period	<u>\$ <u>2,082,952</u></u>	<u><u>1,670,457</u></u>