



GRUPO CLARÍN S.A.

Interim Condensed Consolidated Financial Statements

For the three-month period ended March 31, 2017
presented on a comparative basis.

English free translation of the Financial Statements and Reports originally issued in Spanish.

GRUPO CLARÍN S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF March 31, 2017 AND FOR THE THREE-MONTH PERIOD BEGINNING JANUARY 1, 2016 AND ENDED MARCH 31, 2017 PRESENTED ON A COMPARATIVE BASIS

GLOSSARY OF SELECTED TERMS

ADIRA	Association of Provincial Newspapers of the Republic of Argentina
AEDBA	Association of Newspaper Publishers of the City of Buenos Aires
AFA	<i>Asociación del Fútbol Argentino</i> (Argentine Football Association)
AFIP	<i>Administración Federal de Ingresos Públicos</i> (Argentine Federal Revenue Service)
AFSCA	<i>Autoridad Federal de Servicios de Comunicación Audiovisual</i> (Audiovisual Communication Services Law Federal Enforcement Authority)
AGEA	Arte Gráfico Editorial Argentino S.A.
AGR	Artes Gráficas Rioplatense S.A.
ANA	<i>Administración Nacional de Aduanas</i> (National Customs Administration)
APE	<i>Acuerdo preventivo extrajudicial</i> (pre-packaged insolvency plan)
ARPA	Association of Argentine Private Broadcasters
ARTEAR.....	Arte Radiotelevisivo Argentino S.A.
Auto Sports.....	Auto Sports S.A. (now Carburando S.A.)
Bariloche TV.....	Bariloche TV S.A.
BCBA.....	<i>Bolsa de Comercio de Buenos Aires</i> (Buenos Aires Stock Exchange).
Cablevisión.....	Cablevisión S.A.
Canal Rural	Canal Rural Satelital S.A.
CER.....	<i>Coefficiente de Estabilización de Referencia</i> (Reference Stabilization Coefficient, a consumer price inflation coefficient)
CIMECO	Compañía Inversora en Medios de Comunicación (CIMECO) S.A.
CLC	Compañía Latinoamericana de Cable S.A.
CMD	Compañía de Medios Digitales (CMD) S.A. (former PRIMA Internacional)
CMI.....	Comercializadora de Medios del Interior S.A.
CNDC.....	<i>Comisión Nacional de Defensa de la Competencia</i> (National Antitrust Commission);
CNV.....	<i>Comisión Nacional de Valores</i> (Argentine Securities Commission)
CPCECABA.....	<i>Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires</i> (Professional Council in Economic Sciences of the City of Buenos Aires)
COMFER.....	<i>Comité Federal de Radiodifusión</i> (Federal Broadcasting Committee)
CSJN.....	Supreme Court of Argentina
CUSPIDE	Cúspide Libros S.A.
CVB	CV B Holding S.A.
Dinero Mail	Dinero Mail LLC
Adjusted EBITDA	Revenues less cost of sales and selling and administrative expenses (excluding depreciation and amortization). Additionally, the segment "Cable Television, Internet Access and Telephony Services" includes adjustments related to the recognition of revenues from installation services and transactions including separate items and the non-consolidation of special purpose entities.
Editorial Atlántida	Editorial Atlántida S.A.
EPN.....	Electro Punto Net S.A.
FACPE	<i>Federación Argentina de Consejos Profesionales de Ciencias Económicas</i> (Argentine Federation of Professional Councils in Economic Sciences)
FADRA	<i>Fundación de Automovilismo Deportivo de la República Argentina</i> (Argentine Motor Racing Foundation)
Fintech.....	Fintech Advisory, Inc. together with its affiliates
GCGC.....	GC Gestión Compartida S.A.
GCSA Investments	GCSA Investments S.A.U (under reorganization) formerly GCSA Investments, LLC
GC Minor	GC Minor S.A.
GC Services	Grupo Clarín Services, LLC
GDS	Global Depositary Shares
Grupo Carburando	Carburando S.A.P.I.C.A.F.I., Mundo Show S.A. and Mundo Show TV S.A.

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee

C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

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Grupo Clarín, or the Company	Grupo Clarín S.A.
Grupo Radio Noticias	Grupo Radio Noticias S.R.L.
Holding Teledigital	Holding Teledigital Cable S.A.
IASB	International Accounting Standards Board
Ideas del Sur	Ideas del Sur S.A.
IESA	Inversora de Eventos S.A.
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IGJ	<i>Inspección General de Justicia</i> (Argentine Superintendency of Legal Entities)
Impripost	Impripost Tecnologías S.A.
VAT	Value Added Tax
La Razón	Editorial La Razón S.A.
La Capital Cable	La Capital Cable S.A.
Antitrust Law	Law No. 25,156, as amended
Broadcasting Law	Law No. 22,285 and its regulations
Audiovisual Communication Services Law	Law No. 26,522 and its regulations
LSE	London Stock Exchange
Multicanal	Multicanal S.A.
IAS	International Accounting Standards
NCP ARG	Argentine Professional Accounting Standards, except for Technical Resolutions No. 26 and 29, which adopt IFRS.
OSA	Oportunidades S.A.
Papel Prensa	Papel Prensa S.A.I.C.F. y de M.
Patagonik	Patagonik Film Group S.A.
Pol-Ka	Pol-Ka Producciones S.A.
PRIMA	Primera Red Interactiva de Medios Argentinos (PRIMA) S.A.
PRIMA Internacional	Primera Red Interactiva de Medios Americanos (PRIMA) Internacional S.A. (now CMD)
NEXTEL	NEXTEL Communications Argentina S.R.L.
Radio Mitre	Radio Mitre S.A.
SCI	<i>Secretaría de Comercio Interior</i> (Secretariat of Domestic Trade)
SECOM	<i>Secretaría de Comunicaciones</i> (Argentine Secretariat of Communications)
SHOSA	Southtel Holdings S.A.
SMC	Secretaría de Medios de Comunicación (Media Secretariat)
Supercanal	Supercanal Holding S.A.
TATC	Tres Arroyos Televisora Color S.A.
TCM	TC Marketing S.A.
Telba	Teledifusora Bahiense S.A.
Telecor	Telecor S.A.C.I.
Teledigital	Teledigital Cable S.A.
TFN	<i>Tribunal Fiscal de la Nación</i> (National Tax Court)
Tinta Fresca	Tinta Fresca Ediciones S.A.
TPO	Televisora Privada del Oeste S.A.
TRISA	Tele Red Imagen S.A.
TSC	Televisión Satelital Codificada S.A.
TSMA	Teledifusora San Miguel Arcángel S.A.
UNIR	Unir S.A.
Vistone	Vistone S.A.
VLG	VLG Argentina, LLC

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(Partner)
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In Argentine Pesos (Ps.) – Note 2.1 to the interim condensed consolidated financial statements and Note 2.1 to the interim condensed parent company only financial statements.

Registered office: Piedras 1743, Buenos Aires, Argentina

Main corporate business: Investing and financing

Date of incorporation: July 16, 1999

Date of registration with the Public Registry of Commerce:

- Of the by-laws: August 30, 1999
- Of the latest amendment: April 27, 2017

Registration number with the IGJ: 1,669,733

Expiration of articles of incorporation: August 29, 2098

Information on Parent company:

Name: GC Dominio S.A.

Registered office: Piedras 1743, Buenos Aires, Argentina

CAPITAL STRUCTURE (See Note 16 to the parent company only financial statements)

Type	Number of votes per share	Subscribed, registered and paid-in capital
Class "A" Common shares, with nominal value of Ps. 1	5	75,980,304
Class "B" Common shares, with nominal value of Ps. 1	1	186,281,411
Class "C" Common shares, with nominal value of Ps. 1	1	25,156,869
Total as of March 31, 2017		<u>287,418,584</u>
Total as of December 31, 2016		<u>287,418,584</u>

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JORGE CARLOS RENDO
Chairman

GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016
In Argentine Pesos (Ps.)

	Notes	March 31, 2017	March 31, 2016
Revenues	5.1	2,675,819,784	2,085,888,673
Cost of Sales (1)	5.2	(1,904,624,432)	(1,371,558,308)
Subtotal - Gross Profit		771,195,352	714,330,365
Selling Expenses (1)	5.3	(454,754,672)	(353,627,428)
Administrative Expenses (1)	5.3	(463,035,318)	(334,275,388)
Other Income and Expenses, net		33,443,757	6,992,237
Financial Costs	5.4	(50,861,350)	(53,115,585)
Other Financial Results, net	5.5	(40,880,207)	(25,387,508)
Financial Results		(91,741,557)	(78,503,093)
Equity in Earnings from Affiliates and Subsidiaries		57,142,577	22,830,572
Income before Income Tax and Tax on Assets		(147,749,861)	(22,252,735)
Income Tax and Tax on Assets		50,158,851	(7,024,098)
Income for the period from continuing operations		(97,591,010)	(29,276,833)
Discontinued Operations			
Net Income from Discontinued Operations	5.12	1,904,073,495	1,142,447,129
Income for the period		<u>1,806,482,485</u>	<u>1,113,170,296</u>
Other Comprehensive Income			
Items which may be reclassified to net income			
Variation in Translation Differences of Foreign Operations from Continuing Operations		668,578	7,663,836
Variation in Translation Differences of Foreign Operations from Discontinued Operations		(104,748,428)	41,663,545
Other Comprehensive Income for the period		<u>(104,079,850)</u>	<u>49,327,381</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,702,402,635</u>	<u>1,162,497,677</u>
Profit Attributable to:			
Shareholders of the Parent Company		1,048,656,644	632,709,828
Non-Controlling Interests		757,825,841	480,460,468
Total Comprehensive Income Attributable to:			
Shareholders of the Parent Company		1,001,695,405	674,463,004
Non-Controlling Interests		700,707,230	488,034,673
Basic and Diluted Earnings per Share from Continuing Operations		(0.30)	(0.10)
Basic and Diluted Earnings per Share from Discontinued Operations		3.95	2.30
Basic and Diluted Earnings per Share - Total		3.65	2.20

(1) Includes amortization of intangible assets and film library, and depreciation of property, plant and equipment in the amount of Ps. 59,467,576 and Ps. 40,240,265 for the three-month periods ended March 31, 2017 and 2016, respectively.

The notes are an integral part of these interim condensed consolidated financial statements.

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JORGE CARLOS RENDO
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GRUPO CLARÍN S.A.
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016
In Argentine Pesos (Ps.)

	Notes	March 31, 2017	December 31, 2016
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5.6	821,907,433	780,775,774
Intangible Assets	5.7	210,629,178	221,713,090
Goodwill		270,923,529	270,923,529
Deferred Tax Assets		659,416,467	532,896,812
Investments in Unconsolidated Affiliates	5.8	370,762,956	368,314,257
Other Investments	5.9	-	7,412,878
Inventories		22,134,993	15,805,039
Other Assets		2,032,096	2,122,552
Other Receivables	5.10	166,331,299	159,206,993
Trade Receivables		97,072,417	99,857,137
Total Non-Current Assets		2,621,210,368	2,459,028,061
CURRENT ASSETS			
Inventories		1,000,464,399	901,013,829
Other Assets		35,413,643	11,838,743
Other Receivables	5.10	1,177,175,552	486,550,805
Trade Receivables		3,303,983,506	3,582,782,739
Other Investments	5.9	546,108,637	328,346,695
Cash and Banks		259,665,337	416,006,084
Total Current Assets		6,322,811,074	5,726,538,895
Assets Held for Distribution to Shareholders	5.12	30,244,610,193	28,082,220,838
Total Assets		39,188,631,635	36,267,787,794
EQUITY (as per the corresponding statement)			
Attributable to Shareholders of the Parent Company			
Shareholders' Contributions		2,010,638,503	2,010,638,503
Other Items		708,676,950	755,638,189
Accumulated Income		7,908,767,008	6,860,110,364
Total Attributable to Shareholders of the Parent Company		10,628,082,461	9,626,387,056
Attributable to Non-Controlling Interests		4,477,011,590	4,416,373,963
Total Shareholders' Equity		15,105,094,051	14,042,761,019
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions and Other		225,769,950	228,252,293
Debt	5.11	80,683,774	469,172,621
Deferred Tax Liabilities		686,199	209,849
Taxes Payable		78,952,249	59,188,405
Other Liabilities		56,424,826	61,662,068
Trade Payables and Other		38,652,921	27,347,968
Total Non-Current Liabilities		481,169,919	845,833,204
CURRENT LIABILITIES			
Debt	5.11	614,130,847	339,731,089
Seller Financings		13,051,699	14,256,467
Taxes Payable		251,763,536	296,868,894
Other Liabilities		612,644,306	508,464,913
Trade Payables and Other		2,926,490,128	2,958,209,807
Total Current Liabilities		4,418,080,516	4,117,531,170
Liabilities Held for Distribution to Shareholders	5.12	19,184,287,149	17,261,662,401
Total Liabilities		24,083,537,584	22,225,026,775
Total Equity and Liabilities		39,188,631,635	36,267,787,794

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Registration number with the IGJ: 1,669,733

GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016
In Argentine Pesos (Ps.)

Equity attributable to Shareholders of the Parent Company

	Shareholders' Contributions				Other Items		Accumulated Income			Total Equity of Controlling Interests	Equity Attributable to Non-Controlling Interests	Total Equity
	Capital Stock	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Translation of Foreign Operations	Other Reserves	Legal Reserve	Optional reserves (1)	Retained Earnings			
Balances as of January 1st, 2017	287,418,584	309,885,253	1,413,334,666	2,010,638,503	814,523,312	(58,885,123)	119,460,767	4,210,607,765	2,530,041,832	9,626,387,056	4,416,373,963	14,042,761,019
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(640,069,603)	(640,069,603)
Income for the period	-	-	-	-	-	-	-	-	1,048,656,644	1,048,656,644	757,825,841	1,806,482,485
Other Comprehensive Income:												
Variation in Translation Differences of Foreign Operations	-	-	-	-	(46,961,239)	-	-	-	-	(46,961,239)	(57,118,611)	(104,079,850)
Balances as of March 31, 2017	287,418,584	309,885,253	1,413,334,666	2,010,638,503	767,562,073	(58,885,123)	119,460,767	4,210,607,765	3,578,698,476	10,628,082,461	4,477,011,590	15,105,094,051
Balances as of January 1st, 2016	287,418,584	309,885,253	1,413,334,666	2,010,638,503	595,897,405	(3,653,767)	119,460,767	2,625,678,396	1,884,929,369	7,232,950,673	3,175,288,997	10,408,239,670
Income for the period	-	-	-	-	-	-	-	-	632,709,828	632,709,828	480,460,468	1,113,170,296
Other Comprehensive Income:												
Variation in Translation Differences of Foreign Operations	-	-	-	-	41,753,176	-	-	-	-	41,753,176	7,574,205	49,327,381
Balances as of March 31, 2016	287,418,584	309,885,253	1,413,334,666	2,010,638,503	637,650,581	(3,653,767)	119,460,767	2,625,678,396	2,517,639,197	7,907,413,677	3,663,323,670	11,570,737,347

(1) Broken down as follows: (i) Optional reserve for future dividends of Ps. 1,884,929,369; (ii) Judicial reserve for future dividend distribution of Ps. 387,028,756; (iii) Optional reserve for illiquidity of results of Ps. 694,371,899; and (iv) Optional reserve to provide financial aid to subsidiaries and in connection with the Audiovisual Communication Services Law of Ps. 1,244,277,741.

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GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016
In Argentine Pesos (Ps.)

	March 31, 2017	March 31, 2016
CASH PROVIDED BY OPERATING ACTIVITIES		
Income for the period	1,806,482,485	1,113,170,296
Income Tax and Tax on Assets	(50,158,851)	7,024,098
Accrued Interest, net	42,160,514	25,685,001
Adjustments to reconcile net income for the period to cash provided by operating activities:		
Depreciation of Property, Plant and Equipment	33,260,083	24,297,293
Amortization of Intangible Assets and Film Library	26,207,493	15,942,972
Net allowances	17,730,047	13,215,361
Financial Income, except interest	5,821,246	(41,895,761)
Equity in Earnings from Affiliates and Subsidiaries	(57,142,577)	(22,830,572)
Other Income and Expenses	(10,395,580)	(3,607,814)
Net Income from Discontinued Operations	(1,904,073,495)	(1,142,447,129)
Changes in Assets and Liabilities:		
Trade Receivables	283,082,436	274,125,844
Other Receivables	(103,122,614)	(78,625,779)
Inventories	(106,678,975)	(137,025,656)
Other Assets	(24,454,819)	922,131
Trade Payables and Other	(21,039,499)	(59,304,608)
Taxes Payable	(5,015,517)	(28,916,625)
Other Liabilities	90,653,508	61,190,989
Provisions	(22,703,944)	(12,975,030)
Income Tax and Tax on Assets Payments	(97,181,619)	(67,233,022)
Net Cash Flows Provided by Discontinued Operating Activities	2,561,918,016	1,518,202,369
Net Cash Flows Provided by Operating Activities	2,465,348,338	1,458,914,358
CASH PROVIDED BY INVESTMENT ACTIVITIES		
Acquisition of Property, Plant and Equipment, net	(75,236,141)	(62,960,970)
Acquisition of Intangible Assets	(14,364,259)	(14,048,016)
Payments for Acquisition of Subsidiaries, Net of Cash Acquired and Contributions in Associates	-	(964,250)
Collection of Interest	-	14,621,310
Proceeds from Sale of Property, Plant and Equipment	11,552,656	3,607,815
Transactions with Securities, Bonds and Other Financial Instruments, Net	3,237,301	-
Collections of Certificates of Deposit	-	5,515,462
Net Cash Flows used in Discontinued Investment Activities	(2,214,117,198)	(2,131,380,167)
Net Cash Flows used in Investment Activities	(2,288,927,641)	(2,185,608,816)
CASH PROVIDED BY FINANCING ACTIVITIES		
Loans Obtained	290,000,288	270,948,668
Repayment of Loans and Issue Expenses	(55,023,003)	(29,950,485)
Payment of Interest	(27,135,096)	(19,805,054)
Payments to Non-Controlling Interests, net	-	(560,001)
Net Cash Flows used in Discontinued Financing Activities	13,167,204	(422,260,703)
Net Cash Flows provided by / (used in) Financing Activities	221,009,393	(201,627,575)
FINANCING RESULTS GENERATED BY CASH AND CASH EQUIVALENTS FOR CONTINUING OPERATIONS	22,156,221	27,645,954
FINANCING RESULTS GENERATED BY CASH AND CASH EQUIVALENTS FOR DISCONTINUED OPERATIONS	17,004,194	460,499,469
FINANCING RESULTS GENERATED BY CASH AND CASH EQUIVALENTS	39,160,415	488,145,423
Net Increase / (Decrease) in cash flow	436,590,505	(440,176,610)
Cash and Cash Equivalents at the Beginning of the Year	3,350,687,278	2,705,563,078
Effect of Consolidation of Companies	-	2,040,277,249
Cash and Cash Equivalents at the Closing of the Period (Note 2.4)	3,787,277,783	4,305,663,717

The notes are an integral part of these interim condensed consolidated financial statements.

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INDEX OF THE NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION
2. BASIS FOR THE PREPARATION AND PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
3. ACCOUNTING ESTIMATES AND JUDGMENTS
4. SEGMENT INFORMATION
5. BREAKDOWN OF MAIN ITEMS
6. PROVISIONS AND OTHER CONTINGENCIES
7. REGULATORY FRAMEWORK
8. FINANCIAL INSTRUMENTS
9. COVENANTS, SURETIES AND GUARANTEES PROVIDED
10. RESERVES, RETAINED EARNINGS AND DIVIDENDS
11. INTERESTS IN SUBSIDIARIES AND AFFILIATES
12. LAW No. 26,831 CAPITAL MARKETS
13. THE COMPANY'S CORPORATE REORGANIZATION PROCESS
14. SUBSEQUENT EVENTS
15. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016,
PRESENTED ON A COMPARATIVE BASIS
In Argentine Pesos (Ps.)

NOTE 1 – GENERAL INFORMATION

Grupo Clarín is a holding company that operates in the Media industry. Its operating income and cash flows derive from the operations of its subsidiaries in which it participates directly or indirectly.

Note 1 to the annual Consolidated Financial Statements as of December 31, 2016 details the business segments in which Grupo Clarín is engaged through its subsidiaries.

Note 13 to these Interim Condensed Consolidated Financial Statements describes the current merger-spin-off process of the Company and certain subsidiaries.

These interim condensed consolidated financial statements present the financial position, the results of operations, the changes in equity and cash flows corresponding to the balances to be spun off to the new company, as provided under IFRS. See Note 5.12.

NOTE 2 - BASIS FOR THE PREPARATION AND PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis for the preparation

Through General Resolutions No. 562/09 and No. 576/10, the Argentine Securities Commission (“CNV”, for its Spanish acronym) provided for the application of Technical Resolutions (“TR”) No. 26 and No. 29 issued by the Argentine Federation of Professional Councils of Economic Sciences (“FACPCE”, for its Spanish acronym), which adopt the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) for entities subject to the public offering regime governed by Law No. 26,831, whether on account of their equity or their notes, or which have requested authorization to be subject to such regime. The FACPCE issues Adoption Communications in order to implement IASB resolutions in Argentina.

These interim condensed consolidated financial statements of Grupo Clarín S.A. for the three-month period ended March 31, 2017, presented on a comparative basis, have been prepared in accordance with IAS 34 “Interim Financial Reporting”. Some additional matters were included as required by the Argentine General Associations Law and/or CNV regulations, including the supplementary information provided by the last paragraph of Section 1, Chapter III, Title IV of General Resolution No. 622/13. That information is included in the Notes to these interim condensed consolidated financial statements, as provided by IFRS. The interim condensed consolidated financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its annual consolidated financial statements as of December 31, 2017. The accounting policies are based on the IFRS issued by the IASB and the interpretations issued by the IFRIC, which the Company expects will be applicable at such date.

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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Chairman of the Supervisory Committee

C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

These interim condensed consolidated financial statements have been prepared based on historical cost except for the valuation of financial instruments. In general, the historical cost is based on the fair value of the consideration granted in exchange for the assets.

IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29") requires that the financial statements of an entity that reports in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet closing date of the reporting period and details a series of factors that may indicate that an economy is hyperinflationary. Based on the guidelines of IAS 29, there is not enough evidence to conclude that Argentina was a hyperinflationary economy as of March 2017 and, therefore, the Company did not apply the restatement criteria to the financial information for the periods reported as established under IAS 29.

These interim condensed consolidated financial statements should be read together with the Company's annual financial statements as of December 31, 2016 prepared under IFRS.

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the financial statements as of December 31, 2016.

Certain figures reported in the financial statements presented on a comparative basis were reclassified in order to maintain the consistency in the disclosure of the figures corresponding to this period.

The attached consolidated information, approved by the Board of Directors at the meeting held on May 11, 2017, is presented in Argentine Pesos (Ps.), the Argentine legal tender, and arises from accounting records kept by Grupo Clarín S.A. and its subsidiaries.

2.2. Standards and Interpretations issued but not adopted to date

The Company has not adopted IFRS or revisions of IFRS issued as per the detail below, since their application is not required for the period ended March 31, 2017:

- IFRS 9 "Financial Instruments": issued in November 2009 and amended in October 2010 and July 2014. IFRS 9 introduces new requirements for the classification and measurement of financial assets and liabilities and for their derecognition. This standard is applicable to years beginning on or after January 1st, 2018.

- IFRS 15 "Revenue from contracts with customers": issued in May 2014 and applicable to fiscal years beginning on or after January 1, 2018. This standard specifies how and when revenue will be recognized, as well as the additional information to be disclosed by the Company in the financial statements. It provides a single, principles based five-step model to be applied to all contracts with customers.

- IFRS 16 "Leases": issued in January 2016 and applicable to fiscal years beginning on or after January 1, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases.

As of the date of these financial statements, the Company cannot estimate its quantitative impact because it is analyzing the corresponding accounting effects.

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

2.3 Basis for Consolidation

Note 2.4 to the Company's annual consolidated financial statements as of December 31, 2016 details the consolidation criteria used, as well as the detail of the most relevant consolidated subsidiaries and the interests in the capital stock and votes of those companies. See Note 13 to these Interim Condensed Consolidated Financial Statements.

2.4 Statement of Cash Flows

For the purposes of preparing the statement of cash flows, the item "Cash and Cash Equivalents" includes cash and bank balances, certain high liquidity short-term investments (with original maturities shorter than 90 days). Bank overdrafts payable on demand, if any, are deducted to the extent they are part of the Company's cash management.

Bank overdrafts are classified as "Debt" in the consolidated balance sheet.

Cash and cash equivalents at each period-end, as disclosed in the consolidated statement of cash flows, may be reconciled against the items related to the consolidated balance sheet as follows:

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Cash and Banks	259,665,337	3,393,235,508
Short-Term Investments	520,748,356	912,428,209
Subtotal	780,413,693	4,305,663,717
Cash and cash equivalents disclosed under "Assets held for distribution to shareholders":		
Cash and Banks	1,158,372,150	-
Short-Term Investments	1,848,491,940	-
Total	3,787,277,783	4,305,663,717

NOTE 3 - ACCOUNTING ESTIMATES AND JUDGMENTS

In applying the accounting policies used in the preparation of these interim condensed consolidated financial statements, the Company has to make judgments and prepare accounting estimates of the value of the assets and liabilities that may not be obtained otherwise. The estimates and related assumptions are based on historical experience and other pertinent factors. Actual results may differ from these estimates.

The underlying estimates and assumptions are continually reviewed. The effects of the reviews of accounting estimates are recognized for the period in which estimates are reviewed.

The estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the financial statements as of December 31, 2016, which are disclosed in Note 3 to such annual consolidated financial statements.

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NOTE 4 – SEGMENT INFORMATION

Note 4 to the annual consolidated financial statements as of December 31, 2016 details the Company's business segments and the considerations taken into account by the Company to assess the performance of those segments: the adjusted EBITDA.

The following tables include the information for the three-month periods ended March 31, 2017 and 2016, prepared on the basis of IFRS, for the business segments identified by the Company. Notes 5.12 and 13 describe the effects of the corporate reorganization process of the Company and some of its subsidiaries and the corresponding impact on the consolidated financial information as of March 31, 2017.

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GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

Information arising from consolidated income statements as of March 31, 2017	Cable Television, Internet Access and Telephony Services	Printing and Publishing	Broadcasting and Programming	Digital Content and Other	Deletions (1)	Adjustments (2)	Consolidated
Net Sales to Third Parties ⁽³⁾	9,417,566,925	1,234,485,256	979,808,571	235,298,066	-	(9,191,339,034)	2,675,819,784
Intersegment Sales	6,481,039	144,999,555	86,814,095	167,280,799	(172,866,558)	(232,708,930)	-
Net Sales	9,424,047,964	1,379,484,811	1,066,622,666	402,578,865	(172,866,558)	(9,424,047,964)	2,675,819,784
Cost of sales (excluding depreciation and amortization)	(3,328,366,102)	(1,018,293,002)	(634,944,355)	(251,879,705)	44,747,572	3,328,366,103	(1,860,369,489)
Subtotal	6,095,681,862	361,191,809	431,678,311	150,699,160	(128,118,986)	(6,095,681,861)	815,450,295
Expenses - excluding depreciation and amortization							
Selling Expenses	(1,302,337,124)	(385,113,119)	(60,042,301)	(56,357,385)	53,041,546	1,302,337,123	(448,471,260)
Administrative Expenses	(1,010,682,689)	(256,383,662)	(157,226,109)	(115,573,766)	75,077,440	1,010,682,689	(454,106,097)
Adjusted EBITDA	3,782,662,049	(280,304,972)	214,409,901	(21,231,991)	-	(3,782,662,049)	(87,127,062)
Depreciation of Property, Plant and Equipment							(33,260,083)
Amortization of Intangible Assets and Film Library (4)							(26,207,493)
Other Income and Expenses, net							33,443,757
Financial Costs							(50,861,350)
Other Financial Results, net							(40,880,207)
Financial Results							(91,741,557)
Equity in Earnings from Affiliates and Subsidiaries							57,142,577
Income Tax and Tax on Assets							50,158,851
Income for the period from continuing operations							(97,591,010)
Discontinued Operations							
Net Income from Discontinued Operations							1,904,073,495
Income for the period							1,806,482,485
Additional consolidated information as of March 31, 2017							
Acquisition of Property, Plant and Equipment	2,558,038,627	23,914,920	45,710,867	5,610,354	(2,558,038,627)	-	75,236,141
Acquisition of Intangible Assets	699	11,661,044	1,583,935	1,119,280	(699)	-	14,364,259

(1) Deletions are related to Grupo Clarín's intercompany operations.

(2) Recognition of revenues from cable TV and Internet installation services and transactions including separate items, the non-consolidation of special purpose entities, and the results of discontinued operations (as disclosed in Notes 13 and 5.12) corresponding to the Cable Television, Internet Access and Telephony Services segment.

(3) Includes also sales to unconsolidated companies.

(4) Amortization of film rights acquired in perpetuity.

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Information arising from consolidated income statements as of March 31, 2016	Cable Television, Internet Access and Telephony Services	Printing and Publishing	Broadcasting and Programming	Digital Content and Other	Deletions (1)	Adjustments (2)	Consolidated
Net Sales to Third Parties ⁽³⁾	7,105,053,156	1,116,902,637	642,917,367	161,282,015	-	(6,940,266,502)	2,085,888,673
Intersegment Sales	3,967,398	96,882,091	68,940,778	112,884,836	(113,921,051)	(168,754,052)	-
Net Sales	7,109,020,554	1,213,784,728	711,858,145	274,166,851	(113,921,051)	(7,109,020,554)	2,085,888,673
Cost of sales (excluding depreciation and amortization)	(2,543,893,151)	(739,076,431)	(468,594,017)	(148,158,635)	23,070,645	2,538,288,807	(1,338,362,782)
Subtotal	4,565,127,403	474,708,297	243,264,128	126,008,216	(90,850,406)	(4,570,731,747)	747,525,891
Expenses - excluding depreciation and amortization							
Selling Expenses	(937,720,402)	(289,139,915)	(50,109,935)	(44,705,723)	33,501,236	936,710,500	(351,464,239)
Administrative Expenses	(740,051,907)	(193,041,380)	(120,311,951)	(80,003,923)	57,349,170	746,666,153	(329,393,838)
Adjusted EBITDA	2,887,355,094	(7,472,998)	72,842,242	1,298,570	-	(2,887,355,094)	66,667,814
Depreciation of Property, Plant and Equipment							(24,297,293)
Amortization of Intangible Assets and Film Library ⁽⁴⁾							(15,942,972)
Other Income and Expenses, net							6,992,237
Financial Costs							(53,115,585)
Other Financial Results, net							(25,387,508)
Financial Results							(78,503,093)
Equity in Earnings from Affiliates and Subsidiaries							22,830,572
Income Tax and Tax on Assets							(7,024,098)
Income for the period from continuing operations							(29,276,833)
Discontinued Operations							
Net Income from Discontinued Operations							1,142,447,129
Income for the period							<u>1,113,170,296</u>
Additional consolidated information as of March 31, 2016							
Acquisition of Property, Plant and Equipment	1,691,917,027	16,813,789	39,279,457	6,867,724	-	(1,691,917,027)	62,960,970
Acquisition of Intangible Assets	-	8,967,838	1,716,582	3,363,596	-	-	14,048,016

(1) Deletions are related to Grupo Clarín's intercompany balances and operations.

(2) Recognition of revenues from cable TV and Internet installation services and transactions including separate items, the non-consolidation of special purpose entities, and the results of discontinued operations (Note 13), corresponding to the Cable Television, Internet Access and Telephony Services segment.

(3) Includes also sales to unconsolidated companies.

(4) Amortization of film rights acquired in perpetuity.

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NOTE 5 – BREAKDOWN OF MAIN ITEMS**5.1 - Sales**

	March 31, 2017	March 31, 2016
Advertising Sales	1,199,545,569	871,725,709
Circulation Sales	676,315,321	668,361,241
Printing Services Sales	49,836,027	82,689,947
TV Signals Sales	255,375,776	121,651,244
Sale of Property	100,073,401	41,203,804
Other Sales	394,673,690	300,256,728
Total	2,675,819,784	2,085,888,673

5.2. - Cost of Sales

	March 31, 2017	March 31, 2016
Inventories at the beginning of the year	923,136,437	517,702,414
Deconsolidation of Subsidiaries	-	(4,921,974)
Purchases for the period	470,309,905	454,963,100
Production and Services Expenses (Note 5.3)	1,540,095,052	1,053,620,864
Less: Inventories at period-end	(1,028,916,962)	(649,806,096)
Cost of Sales	1,904,624,432	1,371,558,308

5.3 - Production and Services, Selling and Administrative Expenses

Item	Production and Services Expenses	Selling Expenses	Administrative Expenses	Total as of March 31, 2017	Total as of March 31, 2016
Fees for Services	147,642,519	42,002,140	66,612,547	256,257,206	195,854,992
Salaries, Social Security and Benefits to Personnel ⁽¹⁾	635,005,481	112,879,058	276,302,330	1,024,186,869	830,349,087
Advertising and Promotion Expenses	-	73,990,492	241,462	74,231,954	67,091,914
Taxes, Duties and Contributions	26,407,381	15,822,338	13,357,211	55,586,930	38,301,010
Bad Debts	-	6,517,587	-	6,517,587	5,051,314
Travel Expenses	31,871,206	3,845,834	10,306,840	46,023,880	40,332,634
Maintenance Expenses	48,134,564	1,678,129	15,628,738	65,441,431	54,278,022
Distribution Expenses	19,728,933	154,755,998	-	174,484,931	121,715,927
Communication Expenses	9,017,723	2,391,443	3,399,316	14,808,482	13,726,230
Contingencies	-	-	11,212,460	11,212,460	8,164,047
Stationery and Office Supplies	2,328,467	761,237	1,794,844	4,884,548	4,788,101
Commissions	-	10,107,560	-	10,107,560	10,360,297
Productions and Co-Productions	118,661,033	-	-	118,661,033	80,724,231
Printing Expenses	96,556,265	-	-	96,556,265	49,296,972
Rights	11,833,119	-	-	11,833,119	25,828,634
Services and Satellites	31,794,041	673,203	14,178,856	46,646,100	33,124,175
Severance Payments	242,056,452	10,517,735	27,624,423	280,198,610	37,241,187
Non-Computable VAT	10,664,276	-	-	10,664,276	10,022,597
Rentals	47,965,530	2,176,282	3,617,300	53,759,112	36,414,907
Amortization of Intangible Assets	14,669,379	5,025,128	5,614,535	25,309,042	15,033,406
Amortization of Film Library	898,451	-	-	898,451	909,566
Depreciation of Property, Plant and Equipment	28,687,113	1,258,284	3,314,686	33,260,083	24,297,293
Other Expenses	16,173,119	10,352,224	9,829,770	36,355,113	38,617,137
Total as of March 31, 2017	1,540,095,052	454,754,672	463,035,318	2,457,885,042	
Total as of March 31, 2016	1,053,620,864	353,627,428	334,275,388		1,741,523,680

(1) As of March 31, 2017, it includes a recovery of approximately Ps. 100 million from the calculation of employer's contributions as tax credit on VAT by certain subsidiaries (Decree No. 746/03 issued by the Executive Branch), as mentioned in Notes 8.3.h. and 8.3.i to the Company's consolidated financial statements as of December 31, 2016.

Signed for identification purposes
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GRUPO CLARÍN S.A.

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5.4 - Financial Costs

	March 31, 2017	March 31, 2016
Interest	(50,861,350)	(39,346,305)
Exchange Differences	-	(13,769,280)
Total	(50,861,350)	(53,115,585)

5.5 – Other Financial Results, net

	March 31, 2017	March 31, 2016
Exchange Differences	5,523,442	(17,682,376)
Interest	8,700,836	13,661,304
Financial Discounts on Assets and Liabilities	(4,172,617)	(2,568,962)
Other Taxes and Expenses	(50,500,935)	(35,667,926)
Results from transactions with securities and bonds	2,996	114,554
CER Restatement	565,131	(66,770)
Income from Changes in the Fair Value of Financial Instruments	(999,060)	16,822,668
Total	(40,880,207)	(25,387,508)

5.6 - Property, Plant and Equipment

Main Account	Residual Value as of March 31, 2017	Residual Value as of December 31, 2016
Real Property	335,798,054	336,921,581
Furniture and Fixtures	19,716,474	17,363,178
Telecommunication, Audio and Video Equipment	55,138,928	50,935,439
Computer Equipment	95,865,979	89,369,959
Technical Equipment	10,304,531	12,320,602
Workshop Machinery	108,198,076	103,327,755
Tools	188,195	267,515
Spare Parts	20,389,421	18,677,930
Installations	40,455,746	48,753,437
Vehicles	6,823,342	6,817,257
Works-In-Progress	105,410,839	75,075,683
Leasehold Improvements	23,617,848	20,945,438
	821,907,433	780,775,774

The following table details the changes in property, plant and equipment for the three-month period ended March 31, 2017 and the same period of the previous year:

	2017	2016
Balances as of January 1st	780,775,774	9,026,866,357
Incorporation of Balances from Consolidation of Acquired Companies	-	646,469,574
Additions	75,548,813	1,748,214,521
Retirements	(180,623)	(70,151,611)
Transfers and other movements	(976,448)	(17,240,844)
Depreciation	(33,260,083)	⁽¹⁾ (541,599,297)
Balances as of March 31	821,907,433	10,792,558,700

⁽¹⁾ Includes Ps. 517.3 million corresponding to depreciation included under net income from discontinued operations (See Note 5.12).

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5.7 - Intangible Assets

Main Account	Residual Value as of March 31, 2017	Residual Value as of December 31, 2016
Exploitation Rights and Licenses	7,681,320	11,717,054
Exclusivity Agreements	4,553,018	5,040,931
Other Rights	543,683	652,214
Software	93,213,470	100,063,358
Trademarks and Patents	57,509,143	57,967,451
Projects in-Progress	35,083,985	26,077,527
Other	12,044,559	20,194,555
	<u>210,629,178</u>	<u>221,713,090</u>

The following table details the changes in intangible assets for the three-month period ended March 31, 2017 and the same period of the previous year:

	2017	2016
Balances as of January 1st	221,713,090	258,146,566
Additions	15,021,728	14,048,016
Incorporation of Balances from Consolidation of Acquired Companies	-	43,284,593
Retirements	(657,463)	(206,180)
Transfers and other movements	(139,136)	701,570
Amortization	<u>(25,309,041)</u>	⁽¹⁾ <u>(52,550,365)</u>
Balances as of March 31	<u>210,629,178</u>	<u>263,424,200</u>

⁽¹⁾ Includes Ps. 37.5 million corresponding to amortization included under net income from discontinued operations (See Note 5.12).

5.8 - Investments in Unconsolidated Affiliates

	Main business activity	Country	Interest (%) (1)	Value Recorded as of March 31, 2017	Value Recorded as of December 31, 2016
<u>Included in assets</u>					
Interest in Associates					
Papel Prensa	Manufacturing of Newsprint	Argentina	49.00	174,515,503	169,878,762
Other Investments				19,753,367	6,632,746
Interests in Joint Operations					
TSC	Exploitation of events television broadcasting rights	Argentina	50.00	9,410,666	9,091,465
TRISA	Production and exploitation of sports events, advertising agency and financial and investing operations	Argentina	50.00	95,058,843	109,356,908
Canal Rural	Audiovisual production and sale of advertising	Argentina	64.99	6,680,212	14,351,137
Impropost	Variable printing	Argentina	50.00	10,923,180	8,964,915
AGL	Printing	Argentina	50.00	17,447,326	15,195,663
Ríos de Tinta	Editorial activities	Mexico	50.00	11,145,812	11,135,712
Patagonik	Film producer	Argentina	33.33	<u>25,828,047</u>	<u>23,706,949</u>
				<u>370,762,956</u>	<u>368,314,257</u>

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GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

	Main business activity	Country	Interest (%) (1)	Value Recorded as of March 31, 2017	Value Recorded as of December 31, 2016
Included in liabilities					
Interests in Joint Operations					
Other Investments				-	1,234,644
				-	1,234,644
(1) Interest in capital stock and votes.					

5.9 – Other Investments

	March 31, 2017	December 31, 2016
Non-Current		
Financial Instruments	-	7,412,878
	-	7,412,878
Current		
Financial Instruments	151,904,091	135,043,852
Securities	6,524,744	7,382,019
Mutual Funds	387,679,802	185,920,824
	546,108,637	328,346,695

5.10 – Other Receivables

	December 31, 2016	December 31, 2016
Non-Current		
Tax Credits	147,487,455	135,113,000
Guarantee Deposits	6,792,544	5,250,965
Advances	1,567,969	1,880,637
Related Parties	10,035,945	9,453,296
Other	2,014,966	9,076,675
Allowance for Other Bad Debts	(1,567,580)	(1,567,580)
	166,331,299	159,206,993
Current		
Tax Credits	254,569,902	200,003,480
Court-ordered and Guarantee Deposits	5,396,951	5,248,923
Prepaid Expenses	54,967,175	48,709,847
Advances	107,872,086	87,037,408
Related Parties	89,408,346	45,386,440
Dividends Receivable	553,306,706	-
Sundry Receivables	18,400,309	22,469,157
Other	96,359,210	80,343,584
Allowance for Other Bad Debts	(3,105,133)	(2,648,034)
	1,177,175,552	486,550,805

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with the report dated May 11, 2017See our report dated
May 11, 2017
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Chairman of the Supervisory Committee(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

5.11 - Debt

The following table details the changes in loans and indebtedness for the three-month period ended March 31, 2017 and the same period of the previous year:

	2017	2016
Balances as of January 1st	808,903,710	6,935,089,262
New Loans and Indebtedness	290,000,288	449,948,986
Accrued Interest	44,746,328	229,269,605
Other Financial Effects	-	789,598,604
Payment of Interest	(27,135,096)	(325,534,081)
Payment of Principal	(53,887,596)	(330,856,044)
Reclassification as Liabilities Held for Distribution to Shareholders	(367,813,013)	-
Balances as of March 31	<u>694,814,621</u>	<u>7,747,516,332</u>

5.11.1 – Cablevisión

The following are the main terms of the bank loans for the period:

Date Issued	Bank	Currency	Principal Amount	Final Maturity	Interest Rate Fixed
January 2016	Banco de Santa Fe S.A	Ps.	50.0 (2)	April 2016 (1)	34.25%
April 2016	Banco de Santa Fe S.A	Ps.	50.0 (2)	July 2016 (1)	34.25%
July 2016	Banco de Santa Fe S.A	Ps.	50.0 (2)	October 2016 (1)	30.50%
September 2016	Banco Itaú Argentina S.A.	USD	3.5 (3)	September 2017	5.00%
October 2016	Banco de Santa Fe S.A	Ps.	50.0 (2)	January 2017 (1)	27.50%
January 2017	Banco de Santa Fe S.A	Ps.	50.0 (2)	April 2017 (1)	27.50%
January 2017	ICBC	USD	5.2 (3)	January 2022	6.00%
February 2017	Banco Itaú BBA International PLC	USD	5.3 (3)	February 2020	5.00%

(1) Repaid at maturity.

(2) Rollover funds to increase working capital.

(3) Funds used to fulfill the investment plan.

5.11.2 – AGEA and subsidiaries

As of March 31, 2017, AGR and Cúspide had executed overdraft facility agreements with banks for a maximum of Ps. 327 million and Ps. 53 million, respectively. Those overdraft facilities accrue interest at a fixed annual rate ranging from 25.5% to 31.0%.

5.12 – Assets and liabilities held for distribution to shareholders and Discontinued operations

As described in Note 13 to the interim condensed consolidated financial statements as of March 31, 2017 and December 31, 2016, certain assets and liabilities have been classified as of those dates as “Assets held for distribution to shareholders” and as “Liabilities held for distribution to shareholders”, respectively, as required under IFRS.

Signed for identification purposes
with the report dated May 11, 2017

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(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

The following is a detail of those consolidated assets and liabilities disclosed under “Assets held for distribution to shareholders” and “Liabilities held for distribution to shareholders” as of March 31, 2017 and December 31, 2016 (in millions of Argentine Pesos):

	March 31, 2017	December 31, 2016
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	16,926	15,365
Intangible Assets	1,889	1,906
Goodwill	3,491	3,516
Deferred Tax Assets	94	82
Investments in Unconsolidated Affiliates	285	282
Other Investments	450	817
Other Receivables	398	290
Total Non-Current Assets	23,533	22,258
CURRENT ASSETS		
Inventories	216	267
Other Receivables	1,146	633
Trade Receivables	2,027	1,674
Other Investments	2,165	2,003
Cash and Banks	1,158	1,247
Total Current Assets	6,712	5,824
Total Assets Held for Distribution to Shareholders	30,245	28,082
LIABILITIES		
NON-CURRENT LIABILITIES		
Provisions and Other	969	955
Deferred Tax Liabilities	341	375
Debt	8,392	8,579
Taxes Payable	5	4
Other Liabilities	111	110
Total Non-Current Liabilities	9,818	10,023
CURRENT LIABILITIES		
Debt	1,102	1,014
Taxes Payable	2,416	1,621
Other Liabilities	1,409	247
Trade Payables and Other	4,439	4,357
Total Current Liabilities	9,366	7,239
Total Liabilities Held for Distribution to Shareholders	19,184	17,262

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May 11, 2017
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

In connection with the same situations mentioned above, the following is a detail of the results for the three-month periods ended March 31, 2017 and 2016, classified as discontinued operations in these interim condensed consolidated financial statements (in millions of Argentine Pesos):

	March 31, 2017	March 31, 2016
Revenues	9,200	6,900
Cost of Sales ⁽¹⁾	(4,022)	(3,012)
Subtotal - Gross Profit	5,178	3,888
Selling Expenses ⁽¹⁾	(1,322)	(959)
Administrative Expenses ⁽¹⁾	(1,016)	(705)
Income from Acquisition of Companies	-	114
Other Income and Expenses, net	9	1
Financial Costs	153	(1,120)
Other Financial Results	(152)	426
Financial Results, net	1	(694)
Equity in Earnings from Affiliates and Subsidiaries	40	33
Income before Income Tax and Tax on Assets	2,890	1,678
Income Tax and Tax on Assets	(986)	(536)
Net Income from Discontinued Operations	<u>1,904</u>	<u>1,142</u>

(1) Includes amortization of intangible assets, and depreciation of property, plant and equipment in the amount of Ps. 941 million and Ps. 555 million for the three-month periods ended March 31, 2017 and 2016, respectively.

In connection with the same situations mentioned above, the following is a detail of the cash flows for the three-month periods ended March 31, 2017 and 2016, classified as discontinued operations in these interim condensed consolidated financial statements (in millions of Argentine Pesos):

	March 31, 2017	March 31, 2016
CASH PROVIDED BY OPERATING ACTIVITIES		
Net Income from Discontinued Operations	1,904	1,142
Income Tax and Tax on Assets	986	535
Accrued Interest, net	117	63
Adjustments to reconcile net income for the period to cash provided by discontinued operations:		
Depreciation of Property, Plant and Equipment	924	517
Amortization of Intangible Assets and Film Library	17	38
Net allowances	171	109
Financial Income, except interest	(242)	489
Equity in Earnings from Affiliates and Subsidiaries	(40)	(33)
Income from Acquisition of Associates	-	(114)
Other Income and Expenses	(3)	-
Retirement of Property, Plant and Equipment, Net	44	70
Changes in Assets and Liabilities	(1,123)	(1,143)
Income Tax and Tax on Assets Payments	(193)	(155)
Net Cash Flows Provided by Discontinued Operating Activities	<u>2,562</u>	<u>1,518</u>
CASH PROVIDED BY INVESTMENT ACTIVITIES		
Acquisition of Property, Plant and Equipment, net	(2,558)	(1,692)
Proceeds from Sale of Property, Plant and Equipment and other	2	-
Dividends collected	38	-
Transactions with Securities, Bonds and Other Financial Instruments, Net	304	(440)
Net Cash Flows used in Discontinued Investment Activities	<u>(2,214)</u>	<u>(2,132)</u>
CASH PROVIDED BY FINANCING ACTIVITIES		
Loans Obtained	347	179
Repayment of Loans and Issue Expenses	(263)	(301)
Payment of Interest	(50)	(340)
(Settlement) Collection on Derivatives	(21)	40
Net Cash Flows provided by / (used in) Discontinued Financing Activities	<u>13</u>	<u>(422)</u>

Signed for identification purposes
with the report dated May 11, 2017

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May 11, 2017
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

NOTE 6 - PROVISIONS AND OTHER CONTINGENCIES

The following are the main contingent situations affecting the Company and its subsidiaries, as well as the significant changes, if any, that took place after the issue of the Company's consolidated financial statements as of December 31, 2016, in connection with the rest of the contingent situations described in those financial statements.

6.1 Regulatory Framework

- a. SCI Resolution No. 50/10 approved certain rules for the sale of pay television services. These rules provide that cable television operators must apply a formula to estimate their monthly subscription prices. The price arising from the application of the formula was to be informed to the Office of Business Loyalty (Dirección de Lealtad Comercial) between March 8 and March 22, 2010. Cable television operators must adjust such amount semi-annually and inform the result of such adjustment to said Office.

Even though as of the date of these financial statements the subsidiary Cablevisión cannot assure the actual impact of the application of this formula, given the vagueness of the variables provided by the Resolution to calculate the monthly subscription prices, Cablevisión believes that Resolution No. 50/10 is arbitrary and bluntly disregards its freedom to contract, which is part of the right to freedom of industry and trade. Therefore, it has filed the pertinent administrative claims and has brought the necessary legal actions requesting the suspension of the Resolution's effects and ultimately requesting its nullification.

Even though Cablevisión, like other companies in the industry, has strong constitutional arguments to support its position, it cannot be assured that the final outcome of this issue will be favorable. Therefore, Cablevisión and/or some of its subsidiaries may be forced to modify the price of their pay television subscription, a situation that could significantly affect the revenues of their core business. This creates a general framework of uncertainty over the businesses of Cablevisión and/or some of its subsidiaries that could significantly affect the recoverability of their relevant assets and Grupo Clarín S.A.'s assets related to its investment in Cablevisión. Notwithstanding the foregoing, as of the date of these financial statements, in accordance with the decision rendered on August 1, 2011 in re "LA CAPITAL CABLE S.A. v/ Ministry of Economy-Secretariat of Domestic Trade", the Federal Court of Appeals of the City of Mar del Plata has ordered the SCI to suspend the application of Resolution No. 50/10 with respect to all cable television licensees represented by the Argentine Cable Television Association ("ATVC", for its Spanish acronym). Upon being served on the SCI and the Ministry of Economy on September 12, 2011, such decision became fully effective and may not be disregarded by the SCI. The National Government filed an appeal against the decision rendered by the Federal Court of Appeals of Mar del Plata to have the case brought before the Supreme Court. Such appeal was dismissed and so the National Government filed a direct appeal with the Supreme Court, which was also dismissed.

On June 1, 2010, the SCI imposed a Ps. 5 million fine on Cablevisión alleging that it had failed to comply with the information regime set forth by Resolution No. 50/10, and invoking the Antitrust Law to impose such penalty. The fine was appealed and submitted to the National Court of Appeals on Federal Administrative Matters, Chamber No. 5, which decided to reduce the fine to Ps. 300,000. Cablevisión appealed this decision by filing an extraordinary appeal with the Supreme Court of Argentina.

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017

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CARLOS ALBERTO PEDRO DI CANDIA
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

On March 10, 2011 SCI Resolution No. 36/11 was published in the Official Gazette. This Resolution falls within the framework of SCI Resolution No. 50/10. Resolution No. 36/11 sets forth the parameters to be applied to the services rendered by Cablevisión to its subscribers from January through April 2011. These parameters are as follows: 1) the monthly basic subscription price shall be Ps. 109 for that period; 2) the price of other services rendered by Cablevisión should remain unchanged as of the date of publication of the resolution; and 3) the promotional benefits, existing rebates and/or discounts already granted as of that same date shall be maintained. The resolution also provides that Cablevisión shall reimburse users for any amount collected above the price set for that period.

Cablevisión believes that Resolution No. 36/10 is illegal and arbitrary, since it is grounded on Resolution No. 50/10, which is absolutely null and void. Since the application of Resolution No. 50/10 has been suspended, the application of Resolution No. 36/2011, which falls within the framework of the former, is also suspended.

The claim filed by Cablevisión seeking the nullification of Resolution No. 50/2010 is currently pending before the Federal Administrative Court of First Instance No. 7 of the City of Buenos Aires. This claim was dismissed in view of the claim pending in the City of Mar del Plata.

Subsequently, the SCI issued Resolutions Nos. 65/11, 92/11, 123/11, 141/11, 10/11, 25/12, 97/12, 161/12, 29/13, 61/13, 104/13, 1/14, 43/14 and 93/14 pursuant to which the SCI extended the effectiveness of Resolution No. 36/11 up to and including September 2014, and adjusted the cable television subscription price to Ps.152. Cablevisión believes, however, that given the terms under which the Federal Court of the City of Mar del Plata granted the preliminary injunction, that is, ordering the SCI to suspend the application of Resolution No. 50/10 with respect to all cable television licensees represented by ATVC (among them, Cablevisión and its subsidiaries), and also given the fact that Resolutions No. 36/11, 65/11, 92/11, 123/11, 141/11, 10/11, 25/12, 97/12, 161/12, 29/13, 61/13, 104/13, 1/14, 43/14 and 93/14 merely apply Resolution No. 50/10, Cablevisión continues to be protected by said preliminary injunction, and, therefore, the ordinary course of its business will not be affected.

On April 23, 2013, Cablevisión was served notice of a decision rendered in re “Ombudsman of Buenos Aires v. Cablevisión S.A. on Complaint for the protection of constitutional rights Law 16,986 (Motion for Preliminary Injunction)” pending before Federal Court No. 2, Civil Clerk’s Office No. 4 of the City of La Plata in connection with the price of cable television subscriptions, whereby the court imposed a cumulative daily fine of Ps. 100,000 per day on Cablevisión.

Cablevisión appealed the fine on the grounds that Resolution No. 50/10 issued by Mr. Moreno, as well as its extensions and/or amendments were suspended, as mentioned above, by an injunction with respect to Cablevisión and its branches and subsidiaries prior to the imposition of the fine; pursuant to the collective injunction issued by the Federal Court of the City of Mar del Plata on August 1, 2011 in re “La Capital Cable and Others v. National Government and Others on Preliminary Injunction”. That injunction suspended the application of all the criteria set by the Secretariat of Domestic Trade under Mr. Guillermo Moreno.

The Federal Court of Appeals of the City of La Plata reduced the fine to Ps. 10,000 per day. Cablevisión filed an appeal against that decision in due time and form. On October 16, 2013, the Court of Appeals dismissed the appeal filed by Cablevisión. As of the date of these financial statements, Cablevisión had settled the fine in the amount of Ps. 1,260,000 and compliance was recorded in the file.

On June 11, 2013, Cablevisión was served notice of a resolution rendered in the above-mentioned case; whereby the court ordered the appointment of an expert overseer (*perito interventor*) specialized in economic sciences to: (i) verify whether or not the invoices corresponding to the basic cable television subscription issued by Cablevisión to subscribers domiciled in the Province of Buenos Aires, are actually prepared at the headquarters located at Gral. Hornos 690, and/or at Cablevisión’s branch offices, precisely detailing that process, (ii) identify the individuals responsible for that area, (iii) determine

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

whether or not the administrative actions tending towards the effective compliance with the injunction issued on that case are underway, and (iv) identify the senior staff of Cablevisión that must order the invoice issuance area to prepare the invoices as decided under that injunction.

Cablevisión timely appealed the appointment of said expert on the same grounds stated above. This appeal is also pending before the Federal Court of Appeals of the City of La Plata.

For the purposes of enforcing the injunction, the court issued letters rogatory to the competent judge of the City of Buenos Aires. Upon the initiation of that proceeding, both the National Court on Federal Administrative Matters and the National Court on Federal Civil and Commercial Matters declined jurisdiction to enforce the injunction ordered by the Federal Judge of La Plata. Cablevisión has appealed the decision in connection with the lack of jurisdiction in due time and form. Chamber No. 1 of the National Court of Appeals on Federal Civil and Commercial Matters confirmed the appealed decision. Accordingly, Cablevisión will file an extraordinary appeal in due time and form to have the case decided by the Supreme Court of Argentina.

It should be noted that, in light of the corporate reorganization of Cablevisión, both parties requested the suspension of the procedural periods for 180 days. The judge granted such request. Therefore, the procedural periods were suspended until December 11, 2014. Given the decision rendered by the Supreme Court of Argentina in re "Municipality of Berazategui v. Cablevisión" mentioned below, the procedural periods remain suspended until the Federal Court of Mar del Plata renders a decision thereon.

The file initiated by the Ombudsman before the Federal Court of La Plata, was sent to Mar del Plata, as established by the decision rendered in re Municipality of Berazategui v. Cablevisión referred to below, ordering that the preliminary injunction be revoked because it contradicts the injunction ordered in the proceeding initiated by ATVC.

After the Federal Court of the City of Mar del Plata issued its injunction, several Municipal Offices of Consumer Information ("OMIC", for its Spanish acronym) and several individuals filed claims requesting that Cablevisión comply with Resolution No. 50/10 and the subsequent resolutions that extended its effectiveness. In some cases, preliminary injunctions were granted. In every case, Cablevisión appealed such preliminary injunctions alleging that Resolution No. 50/10, as amended, and/or the subsequent resolutions that extended its effectiveness, had been suspended with respect to Cablevisión, its branches and subsidiaries prior to the issuance of such preliminary injunctions.

On September 23, 2014, the Supreme Court of Argentina rendered a decision in re "Application for judicial review brought by the defendant in the case Municipality of Berazategui v. Cablevisión S.A. on claim for the protection of constitutional rights (*acción de amparo*)" and ordered that the cases related to these resolutions continue under the jurisdiction of the Federal Court of Mar del Plata that had issued the decision on the collective action in favor of ATVC.

Decisions made on the basis of these consolidated financial statements should consider the eventual impact that the above-mentioned resolutions might have on Cablevisión and its subsidiaries, and the Company's consolidated financial statements should be read in light of such uncertainty.

- b. On April 5, 2017, a subsidiary of Cablevisión received a notification from the Under-Secretary of State for Taxation of Treasury ("SET") of the Republic of Paraguay, whereby that subsidiary was informed that it had failed to determine the additional IRACIS rate on the accumulated results of the companies merged in 2014. The Company's subsidiary considers that it has solid arguments to support its position.

6.2 Claims and Disputes with Governmental Agencies

- a. In connection with the decisions made at the Company's Annual Ordinary Shareholders' Meeting held on April 28, 2011, on September 1, 2011 the Company was served with a preliminary injunction in re "National Social Security Administration v. Grupo Clarín S.A. re ordinary proceeding" whereby the

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with the report dated May 11, 2017

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

Company may not in any way dispose, in part or in whole, of the Ps. 387,028,756 currently recorded under the retained earnings account, other than to distribute dividends to the shareholders.

On the same date, the Company was served with a claim brought by Argentina's National Social Security Administration requesting the nullity of the decision made on point 7 (Appropriation of Retained Earnings) of the agenda of the Annual Ordinary Shareholders' Meeting held on April 22, 2010. As of the date of these financial statements, the Company has duly answered the complaint, the parties have produced evidence and made allegations. Therefore, the court has to render a decision.

On November 1, 2011, the CNV issued Resolution No. 593, which provides that at shareholders' meetings in which financial statements are considered shareholders must expressly decide to, either distribute as dividends any retained earnings that are not subject to distribution restrictions and that may be disposed of pursuant to applicable law or capitalize such retained earnings and issue shares, or appropriate them to set up reserves other than legal reserves, or a combination of the above.

On July 12, 2013, the Company was served notice of Resolution No. 17,131; dated as of July 11, 2013 whereby the CNV declared that the administrative effects of the decisions adopted at the Annual General Ordinary Shareholders' Meeting held on April 25, 2013 were irregular and ineffective, based on allegations that are absolutely false and irrelevant. According to the Company and its legal advisors, Resolution No. 17,131 is, among other things, null and void, because it lacks sufficient grounds and its enactment is a clear abuse of authority and a further step in the National Government's attempt to intervene in the Company. On October 11, 2013 Chamber No. 5 of the National Court of Appeals on Federal Administrative Matters issued a preliminary injunction in re "Grupo Clarín S.A. v. CNV – Resolución No. 17.131/13 (File 737/13)" File No. 29,563/2013, whereby it suspended the effects of Resolution No. 17.131/2013 dated July 11, 2013 which had rendered irregular and with no effect for administrative purposes the Company's Annual Ordinary Shareholders' Meeting held on April 25, 2013. As of the date of these financial statements, the preliminary injunction is still in effect.

In August 2013 the Company was served with a nullification claim brought by Argentina's National Social Security Administration relating to the Annual Ordinary Shareholders' Meeting held on April 28, 2011 whereby it requested the nullity of all the decisions made at such meeting and, as a default argument, the nullity of the decisions made on points 2, 4 and 7 of that meeting's agenda, as well as the nullity of the decisions made at the Extraordinary Meetings of Class A, B and A and B Shareholders. As of the date of these financial statements, the judge ordered discovery proceedings and a hearing was called for conciliatory purposes under the terms of Section 360 of the Civil and Commercial Procedure Code.

On September 17, 2013 the Company was served with a nullification claim brought by Argentina's National Social Security Administration relating to the Annual Ordinary Shareholders' Meeting held on April 26, 2012 whereby it requested the nullity of all the decisions made at such meeting and, as a default argument, the nullity of the decisions made on points 8 and 4 of that meeting's agenda, as well as the nullity of the decisions made at the Extraordinary Meetings of Class A, B and A and B Shareholders. As of the date of these financial statements, the judge ordered discovery proceedings and a hearing was called for conciliatory purposes under the terms of Section 360 of the Civil and Commercial Procedure Code.

On March 21, 2014, the Company was served notice of a claim brought by Argentina's National Social Security Administration in re "National Social Security Administration v. GRUPO CLARÍN S.A. on Ordinary Proceeding" File No. 74,429, pending before the National Court of First Instance on Commercial Matters No. 17, Clerk's Office No. 34. This claim seeks to nullify and challenge the corporate decisions made at the Shareholders' Meeting held on April 25, 2013 and those made at the Board of Directors' Meeting held on April 26, 2013. As of the date of these financial statements, discovery proceedings have been initiated and evidence is being produced.

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

On September 16, 2014, the Company received a communication from its controlling shareholder, GC Dominio S.A., whereby that company informed that it had been summoned to court as a third party in re “National Social Security Administration v. Grupo Clarín S.A. on Ordinary Proceeding”, pending before the National Court of First Instance on Commercial Matters No. 17, Clerk’s Office No. 33. As of the date of these financial statements and as informed by GC Dominio S.A., that company has filed a response to the above-mentioned claim.

On April 4, 2017, the Company was served notice of a claim brought by Argentina’s National Social Security Administration in re “National Social Security Administration v. GRUPO CLARÍN S.A. on Ordinary Proceeding” File -22658/2015, pending before the National Court of First Instance on Commercial Matters No. 17, Clerk’s Office No. 34. This claim seeks to nullify and challenge the corporate decisions made at the Shareholders’ Meeting held on April 29, 2014. As of the date of these financial statements, the Company has filed a response.

According to the Company and its legal advisors, the outstanding claims requesting the nullification of the Shareholders’ Meetings have no legal grounds. Therefore, they believe that the Company will not have to face adverse consequences in this regard.

- b. On August 13, 2012, the parent company GC Dominio S.A. was served notice of a claim brought by the Argentine Superintendency of Legal Entities (IGJ) whereby that agency seeks to annul the registration with the Public Registry of Commerce of the appointment of GC Dominio S.A.’s authorities, approved at the Shareholders’ Meeting held on May 17, 2011. The claim is pending before the Federal Court of First Instance on Commercial Matters No. 25, Clerk’s Office No. 49 (“Inspección General de Justicia v. Dominio S.A. on/Ordinary”, File No. 58652). The claim brought by the IGJ seeks to annul the registration with IGJ of the appointment of GC Dominio S.A.’s authorities, approved at the Annual General Ordinary Shareholders’ Meeting of GC Dominio held on May 17, 2011. The appointment was registered with the IGJ on April 23, 2012 under No. 7147, Book No. 59 of Share Companies. According to the IGJ and as the case file is said to show, GC Dominio has allegedly failed to comply with certain regulations applicable to foreign shareholders upon registration of the appointment of authorities. Also within the framework of this claim, the Court issued an injunction in favor of the IGJ ordering that the existence of this claim be duly noted. The Chamber has confirmed the decision to order that the existence of this claim be duly noted. As of the date of these financial statements, the file has been submitted to the Federal Criminal and Correctional Court No. 4 - Clerk’s office No. 8, where it is pending consideration.

GC Dominio S.A.’s legal advisors have strong grounds to argue that the resolution of IGJ’s claim seeking the de-registration of the appointment of authorities has serious defects and infringes the guarantees of reasonableness and due process; a principle that derives from the constitutional guarantee of defense in court, which entails the right to be heard and to produce evidence to contradict a claim. GC Dominio S.A. has appealed such injunction because it considers that the IGJ has not shown that its legal arguments are, at least, plausible. The injunction was ratified by the court of appeals.

6.3 Other Claims and Disputes

- a. As mentioned under Note 8.3.a. to the consolidated financial statements as of December 31, 2016, which describes the events related to the claim brought by TSC against AFA for contractual breach and damages, TSC has executed an agreement with AFA whereby TSC undertook to withdraw the claim and waive its right to litigation no earlier than August 1, 2017, within the framework of negotiations regarding potential new businesses related to audiovisual rights to Argentine first division soccer tournament matches.

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017
PRICE WATERHOUSE & CO. S.R.L.

CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee

(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

6.4 Matters concerning Papel Prensa

As mentioned under Note 8.4 to the consolidated financial statements as of December 31, 2016, on March 30, 2017, the hearing that had been called by Chamber C of the National Court of Appeals on Commercial Matters was held. At that hearing, it was decided that the procedural periods regarding the claims pending before that court of appeals shall remain suspended, and Papel Prensa requested that the majority of the claims involving Papel Prensa be declared moot. The Court of Appeals served notice of these decisions on the National Government, which has not yet responded. Papel Prensa submitted the same request to the Court of First Instance on Commercial Matters before which the claims that were not submitted to the court of appeals are pending.

NOTE 7 - REGULATORY FRAMEWORK

7.1. Matters related to the regulatory situation of the Company and certain subsidiaries.

7.1.1. NEXTEL.

7.1.1.1. Regulatory Approval of the Acquisition of NEXTEL

On March 7, 2016, the ENACOM issued Resolution No. 280/2016, whereby it authorized the change of control of NEXTEL COMMUNICATIONS ARGENTINA S.R.L. in favor of Cablevisión S.A.

On April 12, 2017, the CNDC notified Cablevisión of Resolution No. 293/2017 dated April 10, 2017, whereby the CNDC authorized the economic concentration operation consisting of the acquisition by Cablevisión and Televisión Dirigida of 51.4% and 48.6%, respectively, of the shares of NEXTEL, which were owned by NII Mercosur Telecom S.L.U. and NII Mercosur Móviles S.L.U.

7.1.1.2. Other requests for authorization filed with the ENACOM

On June 22, 2016, NEXTEL made a filing with the ENACOM in order to request authorization for direct and indirect share transfers that would imply a direct and/or indirect change of control in favor of NEXTEL, pursuant to Section 13 of Law No. 27,078 with respect to the licensees of telecommunication services listed below:

- Fibercomm S.A.
- Trixco S.A.
- Callbi S.A.
- Infotel S.A.
- Skyonline de Argentina S.A.
- Netizen S.A.
- Eritown Corporation Argentina S.A.

Within the required term, on January 6, 2017, the ENACOM issued Resolution No. 111/2017, which under section 1 authorizes the share transfers mentioned above.

The filing made on June 22, 2016 also included a request to change the allocation of a portion of the spectrum that corresponds to the licensees acquired by the Company in order to render 4G services, which was not addressed in ENACOM Resolution No. 111/2017.

Notwithstanding the foregoing, taking into consideration the new regulations provided under Decree No. 1,340/16 and Resolution No. 171/2017 issued by the Ministry of Communications, NEXTEL reformulated the

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

original request in accordance with the new effective regulations, thus initiating a new administrative file. In this last filing, the Company finally requested:

- The beginning of a Refarming process with Economic Compensation as provided under Resolution No. 171/2017.
- The authorization of the agreements executed by NEXTEL with the licensees acquired by Cablevisión to operate the services registered by NEXTEL with the portion of the spectrum allocated to those licensees to render their respective services;
- The approval of the registration requested by NEXTEL of the Advanced Mobile Telecommunications Service; and,
- The authorization of the change that would allow that company:
 - To change the allocation and channeling on a primary basis of the 905-915 MHz and 950-960 MHz bands to render advanced mobile communication services at national level with primary status; and,
 - To enhance the allocation of the frequency bands and change the channeling of the 2500 MHz band to the 2690 MHz band to render advanced mobile communication services at national level with primary status.

By means of Resolution ENACOM No. 1,033/2017, the ENACOM provided for the use of the frequency bands between 905 and 915 MHz and between 950 and 960 MHz for the rendering of the ADVANCED MOBILE COMMUNICATIONS SERVICE ("SCMA"), and by means of Resolution ENACOM No. 1,034/2017, the ENACOM provided for the use of the frequency band between 2500 and 2690 MHz for the provision of SCMA, in addition to the current services when their coexistence is possible.

On March 6, 2017, NEXTEL was served with Resolution No. 1,299/ENACOM/2017, which was published in the Official Gazette on March 7, 2017 and approves the project for Refarming with Economic Compensation, filed by that Company to provide Advanced Mobile Communication Services in the frequencies that had been subject to changes in allocation pursuant to ENACOM Resolutions No. 1,033 and 1,034/2017

In addition, the ENACOM decided to register NEXTEL as provider of Advanced Mobile Communication Services in the Registry of Services; and to authorize the use of the above-mentioned frequencies.

In the same resolution and as part of the authorization, that agency imposed additional Coverage Obligations on Nextel.

It also imposes two obligations that must be fulfilled prior to initiating the rendering of Advanced Mobile Communication Services: (i) the return of the proposed radio-electric spectrum; and (ii) the creation of a guaranty issued in favor of and satisfactory to ENACOM for an amount equal to the value of the radio-electric spectrum that is subject to return.

The Resolution also orders that Nextel shall post a performance bond to guarantee the obligations and responsibilities undertaken by that company to be issued in favor and to the satisfaction of the ENACOM for the amount and under the terms that shall be set forth in the contract to be executed with the ENACOM. That contract shall establish, in addition to the economic compensation to be paid by Nextel, the terms, conditions, goals, obligations and other matters inherent to the rendering of the Advanced Mobile Communication Services authorized by that agency to which Nextel shall be bound.

On April 12, 2017, Nextel and the ENACOM executed the agreement referred to in the previous paragraph. The amount corresponding to the Economic Compensation determined by ENACOM pursuant to Section "FIFTH" of said agreement and notified by said entity on April 26, 2017, was transferred to that agency on April 28, 2017. In the same act, NEXTEL accepted and expressly consented to the authorization granted to the Chairman of the ENACOM to decide on, within a term of 2 years as from the date of the agreement, the replacement with economic compensation of certain channels of the 2500-2690 MHz frequency bands for frequencies in other bands, as established under Article Seven of ENACOM Resolution No. 1,034/17.

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May 11, 2017

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

Also, on May 5, 2017, Nextel posted the performance bond provided under the agreement in order to guarantee: (i) compliance with the coverage obligations in the localities ordered by ENACOM; and (ii) the return of compromised radio spectrum.

NOTE 8 – FINANCIAL INSTRUMENTS

Grupo Clarín's activities are exposed to several financial risks: Market risk (including exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

No changes were made in the risk department or to risk management policies, as from the annual consolidated financial statements as of December 31, 2016.

The following table shows the monetary assets and liabilities denominated in US dollars, which is the foreign currency most commonly used in Grupo Clarín's operations as of March 31, 2017 and December 31, 2016:

	(in millions of Argentine pesos)	(in millions of Argentine pesos)
	March 31, 2017	December 31, 2016
ASSETS		
Other Receivables	49	53
Trade Receivables	118	176
Other Investments	26	33
Cash and Banks	53	143
Total assets	246	405
LIABILITIES		
Debt	-	368
Seller financings	13	14
Other Liabilities	14	14
Trade Payables and Other	1,094	407
Total Liabilities	1,121	803

Bid/offered exchange rates as of March 31, 2017 and December 31, 2016 were of Ps. 15.29 and Ps. 15.39 and Ps. 15.79 and Ps. 15.89; respectively.

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017
PRICE WATERHOUSE & CO. S.R.L.

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(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

8.1 Financial Instruments at Fair Value

The following table shows Grupo Clarín's financial assets and liabilities measured at fair value at the closing of the reporting period and year, respectively (amounts stated in millions of Argentine pesos):

	<u>March 31, 2017</u>	<u>Quoted Prices (Level 1)</u>	<u>Other Significant Observable Items (Level 2)</u>
<u>Assets</u>			
Current Investments	418	392	26
	<u>December 31, 2016</u>	<u>Quoted Prices (Level 1)</u>	<u>Other Significant Observable Items (Level 2)</u>
<u>Assets</u>			
Current Investments	306	215	91

Financial assets and liabilities at fair value are measured using quoted prices for identical assets and liabilities (Level 1), and the prices of similar instruments arising from sources of information available in the market (Level 2). At the closing of the reporting period and year, Grupo Clarín did not have financial assets or liabilities at fair value for which a comparison had not been conducted against observable market data to determine their fair value (Level 3).

8.2 Fair Value of Financial Instruments

The book value of cash, accounts receivable and current liabilities is similar to their fair value, due to the short-term maturities of these instruments.

The book value of receivables with estimated collection periods that extend through time, is measured considering the estimated collection period, the time value of money and the specific risks of the transaction at the time of measurement and, therefore, such book value approximates its fair value.

Non-current investments classified as loans and receivables have been measured at amortized cost, and their book value approximates their fair value.

The fair value of non-current financial liabilities (Level 2) is measured based on the future cash flows of those liabilities, discounted at a representative market rate available to Grupo Clarín for liabilities with similar terms (currency and remaining term) prevailing at the time of measurement.

The following table shows the estimated fair value of non-current financial liabilities (amounts stated in millions of Argentine pesos):

	<u>March 31, 2017</u>		<u>December 31, 2016</u>	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
Non-Current Debt	81	64	469	443

Signed for identification purposes
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

NOTE 9 - COVENANTS, SURETIES AND GUARANTEES PROVIDED

The following are the main guarantees set up during the period, in addition to those already mentioned in Note 18 to the Company's annual consolidated financial statements as of December 31, 2016.

- a. Grupo Clarín became the guarantor for up to Ps. 17 million to secure certain financial obligations of EPN with Banco Santander Río S.A. effective until June 2017.
- b. Grupo Clarín became the guarantor for up to Ps. 135 million to secure certain financial obligations of AGR with Banco Santander Río S.A. effective until July 2017.
- c. Grupo Clarín became the guarantor for up to Ps. 10 million to secure certain financial obligations of CMD with Banco Ciudad de Buenos Aires effective until March 2018.

NOTE 10 - RESERVES, RETAINED EARNINGS AND DIVIDENDS

a. Grupo Clarín

On April 27, 2017, at the Annual Ordinary Shareholders' Meeting of the Company, the shareholders decided, among other things, to appropriate the net income for the fiscal year 2016, which amounted to Ps. 2,530,041,832, as follows: (i) Ps. 480,000,000 to the distribution of dividends payable within 30 days as from the date of the Shareholders' Meeting, (ii) Ps. 1,000,000,000 to the reserve for future dividends and (iii) Ps. 1,050,041,832 to the creation of an optional reserve to ensure the liquidity of the Company and its subsidiaries.

b. Cablevisión

On March 30, 2017, at the Annual General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión, its shareholders decided to distribute cash dividends in the amount of Ps. 1,600 million, payable in Argentine Pesos or US Dollars, in two installments, the first one to be paid within a term of thirty days as from the date of such Shareholders' Meeting and the second one to be paid on December 31, 2017 or earlier as determined by the Board of Directors, and delegated on the Board of Directors of Cablevisión the power to establish the time and payment method. Of that amount, approximately Ps. 640 million corresponds to the non-controlling interest in this company. In April 2017, Cablevisión canceled Ps. 800 million of distributed dividends.

NOTE 11 - INTERESTS IN SUBSIDIARIES AND AFFILIATES

- a. In June 2016, Cablevisión, together with its subsidiary NEXTEL, acquired 100% (97% NEXTEL and 3% Cablevisión) of the capital stock of Fibercomm S.A. and Gridley Investments S.A. both owners of 100% of the capital stock of Trixco S.A., holder of licenses for the use of the radioelectric spectrum in the 900 Mhz bands. NEXTEL acquired 100% of the capital stock of WX Telecommunications LLC and Greenmax Telecommunications LLC, which are the controlling companies of Skyonline Argentina S.A., Netizen S.A., Infotel S.A. and Callbi S.A., among the most important subsidiaries. The latter render wireless telecommunications services and hold licenses for the use of the radioelectric spectrum in the 2.5 Ghz bands. The aggregate price for those transactions was USD 138.2 million, equivalent to Ps. 2,036 million.

During the year ended December 31, 2016, Cablevisión completed the process of allocating the acquisition cost of 100% (97% to Nextel and the remaining 3% to Cablevisión) of the capital stock of Fibercomm S.A. and Gridley Investments S.A., both owners of 100% of the capital stock of Trixco S.A., and calculated goodwill from this acquisition in the amount of Ps. 801.7 million.

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

On March 31, 2017, Cablevisión's Board of Directors approved the Pre-Merger Commitment executed between that company, Nextel Communications Argentina S.R.L., Greenmax Telecomunicaciones S.A.U., WX Telecomunicaciones S.A.U., Gridley Investments S.A., Trixco S.A., Fibercomm S.A., Netizen S.A., Eritown Corporation Argentina S.A., Skyonline de Argentina S.A., Infotel Argentina S.A., Nextwave Argentina S.A. and Callbi S.A., whereby, as of the merger date –first day of the month following the registration with the IGJ (“Effective Date of the Merger”), Cablevisión, in its capacity as absorbing company, will continue with the operations of Nextel Communications Argentina S.R.L., Greenmax Telecomunicaciones S.A.U., WX Telecomunicaciones S.A.U., Gridley Investments S.A., Trixco S.A., Fibercomm S.A., Netizen S.A., Eritown Corporation Argentina S.A., Skyonline de Argentina S.A., Infotel Argentina S.A., Nextwave Argentina S.A. and Callbi S.A. (the “Absorbed Companies”) thus generating the corresponding operating, accounting and tax effects. As a result of the above-mentioned corporate reorganization process, the Absorbed Companies would be dissolved without liquidation and Cablevisión would assume all the activities, receivables, property and all the rights and obligations of the above-mentioned companies, existing on the Effective Date of the Merger, or any that may exist or arise due to previous or subsequent acts or activities. As of the date of these financial statements, Cablevisión and the Absorbed Companies have called an extraordinary Shareholders’ Meeting to consider the above-mentioned Pre-Merger Commitment.

- b. On August 16, 2016, the Board of Directors of Cablevisión approved the Pre-Merger Commitment executed between that Company, Copetonas Video Cable S.A., Dorrego Televisión S.A., Fintelco S.A., Indio Rico Cable Color S.A., Primera Red Interactiva de Medios Argentinos (PRIMA) S.A., Cable Video SUR S.A., Wolves Televisión S.A. and Tres Arroyos Televisora Color S.A., whereby, on the effective date of the merger -October 1, 2016- (“Effective Date of the Merger”), Cablevisión, as absorbing company, will continue with the operations of Copetonas Video Cable S.A., Dorrego Televisión S.A., Fintelco S.A., Indio Rico Cable Color S.A., Primera Red Interactiva de Medios Argentinos (PRIMA) S.A., Cable Video SUR S.A., Wolves Televisión S.A. and Tres Arroyos Televisora Color S.A. (the “Absorbed Companies”), thus generating the corresponding operating, accounting and tax effects. As a result of the above-mentioned corporate reorganization process, the Absorbed Companies would be dissolved without liquidation and Cablevisión S.A. would assume all the activities, receivables, property and all the rights and obligations of the above-mentioned companies, existing on the Effective Date of the Merger, or any that may exist or arise due to previous or subsequent acts or activities.

At the Extraordinary Shareholders’ Meeting of Cablevisión held on September 27, 2016, the shareholders approved, among other issues: (i) the Special Parent Company Only Financial Statement and the Special Balance Sheet for Merger as of June 30, 2016, which were used as a basis for the execution of the Pre-Merger Commitment, and (ii) the Pre-Merger Commitment executed on August 16, 2016 between Cablevisión and the Absorbed Companies. On April 20, 2017, the IGJ registered the above-mentioned merger process.

In view of the above, Cablevisión made a filing with the ENACOM in order to inform that Agency of the corporate reorganization to be implemented, so that it would consequently register under the name of the absorbing company, the “Area Authorizations” required to exploit Cable Television Services corresponding to Copetonas Video Cable S.A., Dorrego Televisión S.A., Indio Rico Cable Color S.A., Cable Video Sur S.A., and Tres Arroyos Televisora Color S.A. The license for Wolves Televisión S.A. was abandoned because Cablevisión already has an Area Authorization in the jurisdiction where Wolves Televisión S.A. exploited the Cable Television Service. In addition, PRIMA and Cablevisión made a filing with the ENACOM in order to request that Agency to register the license that had been granted to PRIMA in favor of Cablevisión as a consequence of the corporate reorganization process.

In addition, at the Extraordinary Shareholders’ Meeting held on September 27, 2016, the shareholders also unanimously approved: (i) the amendment of Article Three of the Bylaws in order to conform the core business of Cablevisión to the new regulatory framework under Laws Nos. 27,078 and 26,522, and (ii) the

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

amendment of Articles Nine and Ten of the Bylaws in order to eliminate the Executive Committee. Both amendments were registered with the IGJ on December 28, 2016.

On March 16, 2017, the CNV approved the merger of Cablevisión with Copetonas Video Cable S.A., Dorrego Televisión S.A., Fintelco S.A., Indio Rico Cable Color S.A., Prima, Cable Video Sur S.A., Wolves Televisión S.A. and Tres Arroyos Televisora Color S.A.

NOTE 12 - LAW No. 26,831 CAPITAL MARKETS

On December 28, 2012, Capital Markets Law No. 26,831 (the "Capital Markets Law"), passed on November 29, 2012 and enacted on December 27, 2012, was published in the Official Gazette. The Law provides for a comprehensive amendment of the public offering regime, previously governed by Law No. 17,811. Among other things, the new law enhances the National Government's oversight powers and changes the authorization, control and oversight mechanisms of all stages of the public offering process and the role of all the entities and individuals involved. The Law became effective on January 28, 2013.

On July 29, 2013, the National Government issued Decree No. 1023/2013 to regulate partially the Capital Markets Law that had been passed on November 29, 2012. Among other provisions, the Decree regulates Section 20 of said Law, pursuant to which the CNV may appoint an overseer with veto rights over the decisions made by the boards of directors of entities subject to the public offering regime, or otherwise remove the boards from such entities for up to 180 days until all deficiencies found by the CNV are solved. Said Emergency Decree amends the Law it seeks to regulate and, therefore, constitutes a regulatory abuse. Thus, whereas the Law vests on the CNV the power to appoint an overseer or to remove the board of directors, the Decree allows the CNV to exercise that power if the shareholders and/or noteholders with a two percent (2%) interest in the company's capital stock or outstanding debt securities claim that they have suffered actual and certain damages or if they believe their rights may be seriously jeopardized in the future. The Decree also vests on the CNV the power to appoint the administrators or co-administrators that will hold office as a consequence of the removal of the boards of directors. Thus, the Decree amends the Law by granting the CNV powers that were not provided therein. By doing so, the Executive Branch is assuming strictly legislative functions in breach of constitutional provisions.

On September 5, 2013 within the framework of the Capital Markets Law and its Decree, the CNV issued Resolution No. 622/2013 (the "Rules"), whereby it approved the applicable Rules that repeal the Rules that had been effective until that date (as restated in 2001). The new Rules have introduced several changes in connection with CNV's powers over the companies under that agency's oversight, and also in connection with the information that these companies must disclose.

On August 20, 2013, at the request of Mr. Rubén Mario Szwarc, a minority shareholder of the Company, and by means of public deed number two hundred forty-five, the Company was served notice of the decision rendered by Chamber A of the National Court of Appeals on Commercial Matters on August 12, 2013, in re "SZWARC, Rubén Mario v. National Government and Others on Preliminary Injunction" File No. 011419/2013. That Chamber decided, among other things, (i) to declare the unconstitutionality of Sections 2, 4, 5, 9, 10, 11, 13, 15 and 16 of Law No. 26,854, and (ii) to order the provisional, injunctive suspension of Section 20, subsection a), second part, paragraphs I and II (or 1 and 2) of Law No. 26,831 and of all laws, rules or administrative acts issued or that may be issued pursuant to such legal provisions, with respect to Grupo Clarín S.A., until the judge that is finally declared competent to render a decision on the merits assumes full jurisdiction of the case and renders a final decision relating to the injunction.

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

NOTE 13 - THE COMPANY'S CORPORATE REORGANIZATION PROCESS

On September 28, 2016, at the Company's Extraordinary Shareholders Meeting, the shareholders approved the execution of a corporate reorganization process to be implemented in two successive steps: a) first the merger of Southtel Holdings S.A., Vistone S.A., Compañía Latinoamericana de Cable S.A. and CV B Holding S.A. (the "Absorbed Companies"), through which Grupo Clarín held a controlling interest in Cablevisión (the "Merger"), and, b) the subsequent partial spin-off of the Company to create a new company under the name Cablevisión Holding S.A. (the "Spin-off", and together with the Merger, the "Corporate Reorganization").

The purpose of the Corporate Reorganization is to enhance efficiency, synergy and streamlining of the Company's costs, processes and resources and to promote the specialization of the existing asset portfolio of Grupo Clarín and its subsidiaries. This will allow the Company to implement differentiated growth strategies and goals for, on the one hand, the telecommunications segment, and, on the other hand, the media business (print, TV, programming, radio etc.). Thus, each of those segments will be able to focus on its own markets, risks, organizational processes and capital structures.

As a result of the Merger, and since Grupo Clarín is the direct and indirect holder of 100% of the capital stock of the absorbed companies, Grupo Clarín's capital stock will not be increased. Therefore, it is not necessary to establish an exchange ratio. In addition, the absorbed companies will be dissolved early without liquidation and Grupo Clarín will assume, effective as from October 1, 2016 (the "Effective Date of the Merger"), the activities, receivables, property, rights and obligations of the above-mentioned companies, existing on the Effective Date of the Merger, or any that may exist or arise due to previous or subsequent acts or activities.

As part of the equity subject to spin-off, as provided under the Merger and Spin-off Prospectus filed with the CNV and published in the Financial Information Highway, the Company will transfer to Cablevisión Holding S.A. certain equity interests or participations held by Grupo Clarín, including the direct and indirect equity interests of Grupo Clarín in Cablevisión and in GCSA Equity, LLC. Consequently, once the Corporate Reorganization has been executed, Cablevisión Holding S.A. will become owner, directly or indirectly, of 60% of the capital stock and votes of Cablevisión and of 100% of the participation of GCSA Equity, LLC. Grupo Clarín will retain and continue with all activities, operations, assets and liabilities that are not specifically allocated to Cablevisión Holding S.A.

The Corporate Reorganization Transaction was registered with the IGJ on April 27, 2017. In view of the above and taking into consideration that, under the terms of the spin-off, the effective date of the Spin-off (the "Effective Date of the Spin-off") would be the first day of the month following the date on which the latest of the following registrations has been completed: (i) the registration of the Corporate Reorganization with the IGJ, or (ii) the registration of the incorporation of Cablevisión Holding S.A. with the IGJ, the Effective Date of the Spin-off is May 1, 2017. As from this date, Cablevisión Holding S.A. began activities on its own, and the accounting and tax effects of the Spin-off became effective, and the Company transferred to Cablevisión Holding S.A. the operations, risks and benefits described in the Exhibit to the Prospectus published by the Company as well as the assets and liabilities that make up the "Equity Subsequently Allocated" as decided by the Company's Board of Directors on April 28, 2017, pursuant to the powers delegated by the Extraordinary Shareholders' Meeting held on September 28, 2016.

As a result of the Spin-off of Grupo Clarín, its equity is reduced pro rata and part of the Company's Class A, Class B and Class C shares will be canceled in exchange for a set of shares of the same class and with substantially the same rights to be distributed by Cablevisión Holding S.A. Grupo Clarín will continue to be subject to the public offering regime in Argentina. Cablevisión Holding S.A. has requested authorization to be admitted to the above-mentioned public offering regime in Argentina. Cablevisión Holding S.A. may also apply to have its shares listed on and admitted to trading on one or more local or foreign stock exchanges and/or markets.

Signed for identification purposes
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

The Corporate Reorganization detailed in this note is executed in compliance with applicable regulations of the General Associations Law and subject to obtaining the regulatory authorizations and/or intervention (as applicable) from the CNV, Merval, IGJ and Ente Nacional de Comunicaciones (National Communications Agency "ENACOM").

The terms and conditions of the Corporate Reorganization were established by the Directors of the Company, who approved the Special Parent Company Only Financial Statement of Grupo Clarín as of June 30, 2016, the Special Balance Sheet for Merger and Spin-off as of the same date and the Merger -and Spin-off Prospectus at the Board of Directors' Meeting held on August 16, 2016.

NOTE 14 – SUBSEQUENT EVENTS

- a. The events relating to the regulatory framework applicable to the Company and its subsidiaries that occurred subsequent to the closing of this period are described under Note 7.
- b. As mentioned in Note 26.c. to the consolidated financial statements, as of December 31, 2016, on April 7, 2017 AGR's printing facilities located in the neighborhood of Pompeya were evicted under a court order. The eviction was carried out peacefully and with the intervention of the Police Department of the City of Buenos Aires.
- c. On May 5, 2017, ARTEAR and Banco Itaú Argentina S.A. executed an agreement whereby ARTEAR is the borrower under a bilateral loan for up to Ps. 160 million, to finance working capital, to make capital expenditures and to meet corporate requirements for the development of its activities. Principal will be repaid in one installment due within a term of two years as from disbursement and accrues interest payable on a monthly basis at an annual nominal rate of 24.75%.

NOTE 15 - APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of Grupo Clarín has approved the interim condensed consolidated financial statements and authorized their issuance for May 11, 2017.

Signed for identification purposes
with the report dated May 11, 2017

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May 11, 2017
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

SUPPLEMENTARY FINANCIAL INFORMATION

As of March 31, 2017

1. COMPANY ACTIVITIES

Grupo Clarín is the most prominent and diversified media group in Argentina and one of the most important in the Spanish-speaking world. It has presence in the printed media, radio, broadcast and cable television, audiovisual content production, the printing industry and Internet. Its leadership in the different media is a competitive advantage that enables Grupo Clarín to generate significant synergies and expand into new markets. Its activities are grouped into four main segments: Cable Television, Internet Access and Telephony Services, Printing and publishing, Broadcasting and Programming, and Digital content and other.

Among the main activities carried out during the period, the following were the most significant:

In the Printing and Publishing segment, during the period, the Company continued to publish its traditional newspapers and magazines, with a wide range of collectible editorial offerings; which generate added value and meet the current needs of the readers in the diverse demographic groups.

In the Broadcasting and Programming Segment, El Trece maintained the highest audience share, despite the drop in the audience share in broadcast TV. This leading position is mostly attributable to the good performance of its programming grid both during the Prime Time, and at other times. During prime time, the most outstanding features were “Quiero vivir a tu lado”, the newscast Telenoche and the entertainment shows “Pasapalabra” and “A todo o nada”. Noticiero Trece and El Diario de Mariana delivered good results in the afternoon. The lunches and dinners hosted by Mirtha Legrand and the Argentine soccer first division tournament matches contributed to a good performance during weekends.

In the Cable Television, Internet Access and Telephony Services segment, the Company focused on subscriber loyalty initiatives, as well as on boosting penetration of its premium services, such as, Cablevisión HD, Pay Per View (PPV), Video On Demand (VoD), Digital Video Recording (DVR) and through the launch of the platform called Cablevisión Flow (Over the Top Service), aimed at improving customer loyalty and satisfaction and expanding its broadband Internet access subscriber base. Progress was also made in the optimization of the reach of digital and premium services to cities and towns in the provinces.

On September 28, the shareholders of Grupo Clarín decided to implement the merger - spin-off process proposed by the Board of Directors during the month of August, mentioned in Note 13 to the consolidated financial statements. First, certain subsidiaries of Grupo Clarín will be merged into the Company, and the Company will subsequently spin off a portion of its equity to create a new company under the name Cablevisión Holding S.A. (CVH). Grupo Clarín will retain and continue with all the activities, operations, assets and liabilities that are not specifically allocated to CVH.

As part of the equity subject to the spin-off, the Company will transfer to Cablevisión Holding S.A. certain equity interests or participations held by Grupo Clarín, including the direct and indirect equity interests of Grupo Clarín in Cablevisión and in GCSA Equity, LLC. Consequently, once the Corporate Reorganization has been executed, Cablevisión Holding S.A. will become owner, directly or indirectly, of 60% of the capital stock and votes of Cablevisión and of 100% of the participation of GCSA Equity, LLC. Grupo Clarín will retain and continue with all activities, operations, assets and liabilities that are not specifically allocated to Cablevisión Holding S.A.

The Corporate Reorganization Transaction was registered with the IGJ on April 27, 2017. In view of the above and taking into consideration that the effective date of the Spin-off (the “Effective Date of the Spin-off”) would be the first day of the month following the date on which the latest of the following registrations has been completed: (i) the registration of the Corporate Reorganization with the IGJ, or (ii) the registration of the incorporation of Cablevisión Holding S.A. with the IGJ, the Effective Date of the Spin-off was May 1, 2017. As from this date, the Effective Date of the Spin-off, Cablevisión Holding S.A. began activities on its own, and the accounting effects of the Spin-off became effective and the Company transferred the operations, risks and benefits described in the Exhibit to the Prospectus published by the Company as well as the assets and

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee

C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

JORGE CARLOS RENDO
Chairman

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

liabilities that make up the “Equity Subsequently Allocated” as decided by the Company's Board of Directors on April 28, 2017, pursuant to the powers delegated by the Extraordinary Shareholders’ Meeting held on September 28, 2016.

Grupo Clarín will continue to be subject to the public offering regime in Argentina and CVH will request authorization to be admitted to the above-mentioned public offering regime in Argentina and to the London Stock Exchange

2. CONSOLIDATED FINANCIAL STRUCTURE

Note: the amounts are rounded and stated in thousands of Argentine Pesos. The figures under total amounts may not represent the exact arithmetic sum of the other figures in the table. Pursuant to CNV regulations, the following table shows the balances and results for the period, on a comparative basis with the prior periods, prepared under IFRS.

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Non-current assets	2,621,210	16,116,981	11,018,234	9,657,118	8,503,762
Current assets	6,322,811	12,143,247	7,905,690	5,119,730	3,790,764
Assets held for sale	-	-	184,061	174,588	-
Assets Held for Distribution to Shareholders	30,244,610	-	-	-	-
Total Assets	39,188,632	28,260,228	19,107,985	14,951,436	12,294,526
Equity of the Parent Company	10,628,082	7,907,414	5,861,463	4,802,453	4,196,671
Equity of Non-Controlling Interests	4,477,012	3,663,324	2,504,740	1,797,202	1,498,662
Total Equity	15,105,094	11,570,737	8,366,203	6,599,655	5,695,332
Non-current liabilities	481,170	4,402,145	4,539,538	3,759,467	3,063,777
Current liabilities	4,418,081	12,287,346	6,202,245	4,592,314	3,535,417
Liabilities Held for Distribution to Shareholders	19,184,287	-	-	-	-
Total Liabilities	24,083,538	16,689,491	10,741,782	8,351,781	6,599,194
Total Equity and Liabilities	39,188,632	28,260,228	19,107,985	14,951,436	12,294,526

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Chairman

3. CONSOLIDATED COMPREHENSIVE INCOME STRUCTURE

Note: the amounts are rounded and stated in thousands of Argentine Pesos. The figures under total amounts may not represent the exact arithmetic sum of the other figures in the table. Pursuant to CNV regulations, the following table shows the balances and results for the period, on a comparative basis with the prior periods, prepared under IFRS.

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Operating income/loss from continuing operations ⁽¹⁾	(146,595)	26,427	1,536,570	709,334	440,474
Financial Results	(91,742)	(78,503)	(380,353)	(1,535)	2,720
Equity in Earnings from Affiliates and Subsidiaries	57,143	22,831	36,857	(816,255)	(268,383)
Other Income and Expenses, net	33,444	6,992	380	4,457	(3,008)
Income/loss from continuing operations before income tax and tax on assets	(147,750)	(22,253)	1,193,454	(104,000)	171,803
Income Tax and Tax on Assets	50,159	(7,024)	(393,138)	52,593	(77,576)
Income for the period from continuing operations	(97,591)	(29,277)	800,316	(51,407)	94,226
Net income for the period from discontinued operations	1,904,073	1,142,447	-	9,553	1,665
Income for the period	1,806,482	1,113,170	800,316	(41,854)	95,892
Other Comprehensive Income for the period	(104,080)	49,327	(199,089)	166,689	137,211
Total Comprehensive Income for the Period	1,702,403	1,162,498	601,227	124,834	233,102

(1) Defined as net sales less cost of sales and expenses.

(2) The amounts corresponding to the periods ended March 31, 2015, 2014 and 2013 do not include the breakdown of the results corresponding to the discontinued operations mentioned in Note 5.12.

4. CASH FLOW STRUCTURE

Note: the amounts are rounded and stated in thousands of Argentine Pesos. The figures under total amounts may not represent the exact arithmetic sum of the other figures in the table. Pursuant to CNV regulations, the following table shows the balances and results for the period, on a comparative basis with the prior periods, prepared under IFRS.

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Cash provided by (used in) Operating Activities	2,465,348	1,458,914	1,382,801	1,144,275	517,336
Cash provided by (used in) Investment Activities	(2,288,928)	(2,185,609)	(585,519)	(693,544)	(350,616)
Cash provided by (used in) Financing Activities	221,009	(201,627)	366,735	(614,331)	(196,941)
Total Cash provided (used) for the Period	397,430	(928,322)	1,164,018	(163,600)	(30,221)
Financial Results Generated By Cash And Cash Equivalents	39,160	488,146	106,525	161,548	34,316
Total Changes in Cash	436,590	(440,177)	1,270,542	(2,052)	4,094

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Chairman of the Supervisory Committee

(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

JORGE CARLOS RENDO
Chairman

5. STATISTICAL DATA

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Cable TV subscribers ⁽¹⁾	3,510,434	3,506,595	3,475,531	3,486,754	3,407,385
Cable TV homes passed ⁽²⁾	7,833,689	7,812,857	7,518,150	7,509,525	7,457,783
Cable TV churn ratio	15.3	15.3	13.9	13.9	14.3
Internet access subscribers ⁽¹⁾	2,208,381	2,041,775	1,858,554	1,740,999	1,543,176
Newspaper circulation ⁽³⁾	211,605	247,360	271,923	282,759	304,439
Canal 13 audience share					
Prime Time ⁽⁴⁾	32.1	32.3	34.6	28.1	36.0
Total Time ⁽⁴⁾	30.4	29.1	28.3	23.5	27.8

⁽¹⁾ Includes companies controlled, directly and indirectly, by Cablevisión (Argentina and Uruguay).

⁽²⁾ Contemplates the elimination of the overlapping of networks between Cablevisión and subsidiaries (including Multicanal and Teledigital).

⁽³⁾ Average quantity of newspapers per day (Diario Clarín and Olé), pursuant to the Instituto Verificador de Circulaciones (this figure represents sales in Argentina and abroad).

⁽⁴⁾ Share of prime time audience of broadcast television stations in the Metropolitan Area of Buenos Aires, as reported by IBOPE. Prime time is defined as 8:00 PM to 12:00 AM, Monday through Friday. Total time is defined as 12:00 PM to 12:00 AM, Monday through Sunday.

6. RATIOS

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Liquidity (current assets / current liabilities)	1.43	0.99	1.27	1.11	1.07
Solvency (equity / total liabilities)	0.63	0.69	0.78	0.79	0.86
Capital assets (non-current assets / total assets)	0.07	0.57	0.58	0.65	0.69

7. OUTLOOK

The Company remains committed to informing with independence, to reaching all sectors of society and to supporting the quality and credibility values of its media.

Grupo Clarín's corporate strategy is aimed at maintaining and consolidating its presence in the production of contents, strengthening its presence in the traditional media, with a growing focus on digital media. The Company seeks to leverage its positioning and access to opportunities for growth in the Argentine and regional industry to strengthen and develop its current businesses.

The Company will keep focusing on the core processes that allow for a sustainable and efficient growth from different perspectives: financial structure, management control, business strategy, human resources, innovation and corporate social responsibility.

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Chairman

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

GRUPO CLARÍN S.A.

RATIFICATION OF PRINTED SIGNATURES

We hereby ratify our signatures appearing in printed form on the preceding sheets from page 1 to 39 in Grupo Clarín S.A.'s interim condensed consolidated financial statements for the three-month period ended March 31, 2017.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

CARLOS ALBERTO PEDRO DI CANDIA
Supervisory Committee

C.P.C.E.C.A.B.A. Vol. 1 Fol. 17
Dr. Carlos A. Pace
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JORGE CARLOS RENDO
Chairman

See our report dated
May 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

JORGE CARLOS RENDO
Chairman



GRUPO CLARÍN S.A.

Interim Condensed Parent Company Only Financial Statements

For the three-month period ended March 31, 2017,
presented on a comparative basis

English free translation of the Financial Statements and Reports originally issued in Spanish.

GRUPO CLARÍN S.A.
PARENT COMPANY ONLY STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016
In Argentine Pesos (Ps.)

	Notes	March 31, 2017	March 31, 2016
Equity in Earnings from Affiliates and Subsidiaries	4.3	(61,689,070)	626,223,581
Management fees		63,300,000	44,475,000
Administrative Expenses (1)	5	(91,127,154)	(58,364,076)
Other Income and Expenses, net		748,480	(3,582,204)
Financial Costs	4.8	5,877,891	(43,197,540)
Other Financial Results, net	4.9	1,837,790	2,076,317
Financial Results		7,715,681	(41,121,223)
Income before Income Tax and Tax on Assets		(81,052,063)	567,631,078
Income Tax and Tax on Assets		(1,039,328)	(424,240)
Net Income from Continuing Operations		(82,091,391)	567,206,838
Net Income from Discontinued Operations	4.10	1,130,748,035	65,502,990
Income for the period		<u>1,048,656,644</u>	<u>632,709,828</u>
Other Comprehensive Income			
Items which may be reclassified to net income			
Variation in Translation Differences of Foreign Operations from Continuing Operations		38,456	38,550,997
Variation in Translation Differences of Foreign Operations from Discontinued Operations		(46,999,695)	3,202,179
Other Comprehensive Income for the period		(46,961,239)	41,753,176
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,001,695,405</u>	<u>674,463,004</u>

- (1) Includes depreciation of property, plant and equipment and amortization of intangible assets in the amount of Ps. 581,188 and Ps. 204,880 for the three-month periods ended March 31, 2017 and 2016, respectively.

The notes are an integral part of these interim condensed parent company only financial statements.

GRUPO CLARÍN S.A.
PARENT COMPANY ONLY BALANCE SHEET
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016
In Argentine Pesos (Ps.)

	Notes	March 31, 2017	December 31, 2016
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4.1	9,585,801	6,364,387
Intangible Assets	4.2	570,617	41,564
Deferred Tax Assets		22,895,503	21,723,720
Investments in Unconsolidated Affiliates	4.3	3,261,808,390	3,311,592,293
Other Receivables		30,000	30,000
Total Non-Current Assets		3,294,890,311	3,339,751,964
CURRENT ASSETS			
Other Receivables		714,909,782	157,656,503
Other Investments	4.4	61,104,823	84,222,441
Cash and Banks		10,293,597	34,438,063
Total Current Assets		786,308,202	276,317,007
Assets Held for Distribution to Shareholders	4.10	7,344,147,788	6,816,875,217
Total Assets		11,425,346,301	10,432,944,188
EQUITY (as per the corresponding statement)			
Shareholders' Contributions		2,010,638,503	2,010,638,503
Other Items		708,676,950	755,638,189
Accumulated Income		7,908,767,008	6,860,110,364
Total Equity		10,628,082,461	9,626,387,056
LIABILITIES			
NON-CURRENT LIABILITIES			
Other Liabilities	4.3	14,118,234	-
Debt	4.5	-	367,813,013
Total Non-Current Liabilities		14,118,234	367,813,013
CURRENT LIABILITIES			
Debt	4.5	-	3,475,247
Taxes Payable		9,143,940	9,056,387
Other Liabilities		1,018,480	818,127
Trade Payables and Other		65,450,755	74,257,310
Total Current Liabilities		75,613,175	87,607,071
Liabilities Held for Distribution to Shareholders	4.10	707,532,431	351,137,048
Total Liabilities		797,263,840	806,557,132
Total Equity and Liabilities		11,425,346,301	10,432,944,188

The notes are an integral part of these interim condensed parent company only financial statements.

GRUPO CLARÍN S.A.
PARENT COMPANY ONLY STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016
In Argentine Pesos (Ps.)

	Equity attributable to Shareholders of the Parent Company									
	Shareholders' Contributions				Other Items		Accumulated Income			Total Equity of Controlling Interests
	Capital Stock	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Translation of Foreign Operations	Other Reserves	Legal Reserve	Optional reserves (1)	Retained Earnings	
Balances as of January 1st, 2017	287,418,584	309,885,253	1,413,334,666	2,010,638,503	814,523,312	(58,885,123)	119,460,767	4,210,607,765	2,530,041,832	9,626,387,056
Income for the period	-	-	-	-	-	-	-	-	1,048,656,644	1,048,656,644
Other Comprehensive Income:										
Variation in Translation Differences of Foreign Operations	-	-	-	-	(46,961,239)	-	-	-	-	(46,961,239)
Balances as of March 31, 2017	287,418,584	309,885,253	1,413,334,666	2,010,638,503	767,562,073	(58,885,123)	119,460,767	4,210,607,765	3,578,698,476	10,628,082,461
Balances as of January 1st, 2016	287,418,584	309,885,253	1,413,334,666	2,010,638,503	595,897,405	(3,653,767)	119,460,767	2,625,678,396	1,884,929,369	7,232,950,673
Income for the period	-	-	-	-	-	-	-	-	632,709,828	632,709,828
Other Comprehensive Income:										
Variation in Translation Differences of Foreign Operations	-	-	-	-	41,753,176	-	-	-	-	41,753,176
Balances as of March 31, 2016	287,418,584	309,885,253	1,413,334,666	2,010,638,503	637,650,581	(3,653,767)	119,460,767	2,625,678,396	2,517,639,197	7,907,413,677

(1) Broken down as follows: (i) Optional reserve for future dividends of Ps. 1,884,929,369; (ii) Judicial reserve for future dividend distribution of Ps. 387,028,756, (iii) Optional reserve for illiquidity of results of Ps. 694,371,899, and (iv) Optional reserve to provide financial aid to subsidiaries and in connection with the Audiovisual Communication Services Law of Ps. 1,244,277,741.

The notes are an integral part of these interim condensed parent company only financial statements.

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
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PRICE WATERHOUSE & CO. S.R.L.

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(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17
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JORGE CARLOS RENDO
Chairman

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

GRUPO CLARÍN S.A.
PARENT ONLY STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016
 In Argentine Pesos (Ps.)

	March 31, 2017	March 31, 2016
CASH PROVIDED BY OPERATING ACTIVITIES		
Income for the period	1,048,656,644	632,709,828
Income Tax and Tax on Assets	1,039,328	424,240
Accrued Interest, net	2,329,134	6,320,732
Adjustments to reconcile net income for the period to cash used in operating activities:		
Depreciation of Property, Plant and Equipment and Amortization of Intangible Assets	581,188	204,880
Exchange Differences and Other Financial Results	(11,075,605)	33,449,424
Equity in Earnings from Affiliates and Subsidiaries	61,689,070	(626,223,581)
Net Income from Discontinued Operations	(1,130,748,035)	(65,502,990)
Other Income and Expenses	(748,480)	-
Changes in Assets and Liabilities:		
Other Receivables	(10,878,367)	(10,407,850)
Trade Payables and Other	(8,220,757)	(4,971,582)
Taxes Payable	3,964,634	(3,863,025)
Other Liabilities	200,352	12,897,292
Income Tax and Tax on Assets Payments	(2,806,497)	(701,438)
Net Cash Flows used in Operating Activities	<u>(46,017,391)</u>	<u>(25,664,070)</u>
CASH PROVIDED BY INVESTMENT ACTIVITIES		
Dividends collected	2,160,068	1,728,004
Acquisition of Property, Plant and Equipment, net	(3,790,162)	(915,260)
Acquisition of Intangible Assets	(541,494)	-
Loans and interest collected	38,560	1,106,904
Proceeds from Disposal of Non-Current Investments	2,000,000	-
Net Cash Flows (used in) / provided by Investing Activities	<u>(133,028)</u>	<u>1,919,648</u>
CASH PROVIDED BY FINANCING ACTIVITIES		
Payment of Debts	(3,475,247)	-
Payment of Interest	(22,617)	-
Net Cash Flows used in Financing Activities	<u>(3,497,864)</u>	<u>-</u>
FINANCING RESULTS GENERATED BY CASH AND CASH EQUIVALENTS	<u>2,386,199</u>	<u>3,541,544</u>
Net decrease in cash flow	(47,262,084)	(20,202,878)
Cash and Cash Equivalents at the Beginning of the Year	118,660,504	32,041,533
Cash and Cash Equivalents at the Closing of the Period (Note 2.3)	<u>71,398,420</u>	<u>11,838,655</u>

The notes are an integral part of these interim condensed parent company only financial statements.

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See our report dated
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PRICE WATERHOUSE & CO. S.R.L.

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JORGE CARLOS RENDO
Chairman

INDEX OF THE NOTES TO THE INTERIM CONDENSED PARENT COMPANY ONLY FINANCIAL STATEMENTS

1. GENERAL INFORMATION
2. BASIS FOR THE PREPARATION AND PRESENTATION OF THE INTERIM CONDENSED PARENT COMPANY ONLY FINANCIAL STATEMENTS
3. ACCOUNTING ESTIMATES AND JUDGMENTS
4. BREAKDOWN OF MAIN ITEMS
5. INFORMATION REQUIRED UNDER SECTION 64, SUBSECTION b) OF LAW No. 19,550
6. BALANCES AND TRANSACTIONS WITH RELATED PARTIES
7. TERMS AND INTEREST RATES OF INVESTMENTS, RECEIVABLES AND LIABILITIES
8. PROVISIONS AND OTHER CONTINGENCIES
9. REGULATORY FRAMEWORK
10. FINANCIAL INSTRUMENTS
11. INTERESTS IN SUBSIDIARIES AND AFFILIATES
12. COVENANTS, SURETIES AND GUARANTEES PROVIDED
13. RESERVES, RETAINED EARNINGS AND DIVIDENDS
14. LAW No. 26,831 CAPITAL MARKETS
15. THE COMPANY'S CORPORATE REORGANIZATION PROCESS
16. CAPITAL STOCK STRUCTURE
17. INFORMATION REQUIRED UNDER CNV RESOLUTION No. 629 — RECORD KEEPING
18. SUBSEQUENT EVENTS
19. APPROVAL OF THE INTERIM CONDENSED PARENT COMPANY ONLY FINANCIAL STATEMENTS

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May 11, 2017

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(Partner)

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JORGE CARLOS RENDO
Chairman

GRUPO CLARÍN S.A.
NOTES TO THE INTERIM CONDENSED PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017,
PRESENTED ON A COMPARATIVE BASIS
In Argentine Pesos (Ps.)

NOTE 1 – GENERAL INFORMATION

Grupo Clarín is a holding company that operates in the Media industry. Its operating income and cash flows derive from the operations of its subsidiaries in which it participates directly or indirectly.

The operations of its subsidiaries include cable television and Internet access services, newspaper and other printing, publishing and advertising activities, broadcast television, radio operations and television content production, on-line and new media services, and other media related activities. A substantial portion of its revenues is generated in Argentina.

Note 15 to these Interim Condensed Parent Company Only Financial Statements describes the current merger-spin-off process of the Company and certain subsidiaries.

NOTE 2 - BASIS FOR THE PREPARATION AND PRESENTATION OF THE INTERIM CONDENSED PARENT COMPANY ONLY FINANCIAL STATEMENTS

2.1 Basis for the preparation

Through General Resolutions No. 562/09 and No. 576/10, the Argentine Securities Commission (“CNV”, for its Spanish acronym) provided for the application of Technical Resolutions (“TR”) No. 26 and No. 29 issued by the Argentine Federation of Professional Councils of Economic Sciences (“FACPCE”, for its Spanish acronym), which adopt the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) for entities subject to the public offering regime governed by Law No. 26,831, whether on account of their equity or their notes, or which have requested authorization to be subject to such regime. The FACPCE issues Adoption Communications in order to implement IASB resolutions in Argentina.

Technical Resolution No. 43 “Amendment of Technical Resolution No. 26”, effective for fiscal years beginning on or after January 1, 2016, sets out that parent company only financial statements shall be prepared fully in accordance with IFRS without applying any changes, i.e. complying with the full contents of those standards as issued by the IASB and with the mandatory or guiding provisions established by IASB in each document. That Resolution provides that for its disclosure in parent company only financial statements of entities that are required to present consolidated financial statements, the investments in subsidiaries, joint ventures and associates shall be valued under the equity method as set out by IFRS.

In preparing these interim condensed parent company only financial statements for the three-month period ended March 31, 2017, presented on a comparative basis, the Company has followed the guidelines provided by TR 43, and, therefore, these financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. Some additional matters were included as required by the Argentine General Associations Law and/or CNV regulations, including the supplementary information provided by the last paragraph of Section 1, Chapter III, Title IV of General Resolution No. 622/13. That information is included in the Notes to these parent company only financial statements, as provided by IFRS.

The interim condensed parent company only financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its annual parent company only financial statements as

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with the report dated May 11, 2017

See our report dated
May 11, 2017
PRICE WATERHOUSE & CO. S.R.L.

CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee

(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

of December 31, 2017. The accounting policies are based on the IFRS issued by the IASB and the interpretations issued by the IFRIC, which the Company expects will be applicable at such date.

The interim condensed parent company only financial statements have been prepared based on historical cost, except for the measurement at fair value of certain non-current assets and financial instruments. In general, the historical cost is based on the fair value of the consideration granted in exchange for the assets.

IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29") requires that the financial statements of an entity that reports in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet closing date of the reporting period and details a series of factors that may indicate that an economy is hyperinflationary. Based on the guidelines of IAS 29, there is not enough evidence to conclude that Argentina was a hyperinflationary economy as of March 2017 and, therefore, the Company did not apply the restatement criteria to the financial information for the periods reported as established under IAS 29.

These interim condensed parent company only financial statements should be read together with the Company's annual financial statements as of December 31, 2016 prepared under IFRS.

The accounting policies used in the preparation of these interim condensed parent company only financial statements are consistent with those used in the preparation of the financial statements as of December 31, 2016.

Certain figures reported in the financial statements presented on a comparative basis were reclassified in order to maintain the consistency in the disclosure of the figures corresponding to this period.

The attached information, approved by the Board of Directors at the meeting held on May 11, 2017, is presented in Argentine Pesos (Ps.), the Argentine legal tender, and arises from accounting records kept by Grupo Clarín S.A.

2.2 Standards and Interpretations issued but not adopted to date

The Company has not adopted IFRS or revisions of IFRS issued as per the detail below, since their application is not required for the period ended March 31, 2017:

- IFRS 9 Financial Instruments: issued in November 2009 and amended in October 2010 and July 2014. IFRS 9 introduces new requirements for the classification and measurement of financial assets and liabilities and for their derecognition. This standard is applicable to years beginning on or after January 1st, 2018.

- IFRS 15 "Revenue from contracts with customers": issued in May 2014 and applicable to fiscal years beginning on or after January 1, 2018. This standard specifies how and when revenue will be recognized, as well as the additional information to be disclosed by the Company in the financial statements. It provides a single, principles based five-step model to be applied to all contracts with customers.

- IFRS 16 "Leases": issued in January 2016 and applicable to fiscal years beginning on or after January 1, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases.

As of the date of these financial statements, the Company cannot estimate its quantitative impact because it is analyzing the corresponding accounting effects.

2.3 Statement of Cash Flows

For the purposes of preparing the statement of cash flows, the item "Cash and Cash Equivalents" includes cash, certain high liquidity short-term investments (with original maturities shorter than 90 days) and, if any, bank overdrafts payable on demand, to the extent they form part of the Company's cash management.

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(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

Bank overdrafts are classified as “Debts” in the balance sheet.

Cash and cash equivalents at each period-end, as disclosed in the statement of cash flows, may be reconciled against the items related to the parent company only balance sheet as follows:

	March 31, 2017	March 31, 2016
Cash and Banks	10,293,597	10,900,970
Short-Term Investments	61,104,823	937,685
Cash and Cash Equivalents	71,398,420	11,838,655

NOTE 3 - ACCOUNTING ESTIMATES AND JUDGMENTS

In applying the accounting policies used in the preparation of these interim condensed parent company only financial statements, the Company has to make judgments and prepare accounting estimates of the value of the assets and liabilities that may not be obtained otherwise. The estimates and related assumptions are based on historical experience and other pertinent factors. Actual results may differ from these estimates.

The underlying estimates and assumptions are continually reviewed. The effects of the reviews of accounting estimates are recognized for the period in which estimates are reviewed.

The estimates and assumptions used in the preparation of these interim condensed parent company only financial statements are consistent with those used in the preparation of the financial statements as of December 31, 2016, which are disclosed in Note 3 to such annual parent company only financial statements.

NOTE 4 – BREAKDOWN OF MAIN ITEMS**4.1 - Property, Plant and Equipment**

Main Account	Historical value			
	Balance at the Beginning	Additions	Retirements	Balances as of March 31, 2017
Furniture and Fixtures	709,463	475,990	-	1,185,453
Audio and Video	213,208	42,097	-	255,305
Telecommunication Equipment	303,526	155,695	-	459,221
Computer Equipment	11,185,225	80,957	-	11,266,182
Improvements in Third-Party Property	1,822,196	3,035,423	-	4,857,619
Total as of March 31,	14,233,618	3,790,162	-	18,023,780
Total as of March 31,	7,782,968	915,260	-	8,698,228

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017
PRICE WATERHOUSE & CO. S.R.L.

CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee

(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

Main Account	Depreciation					Net Book Value as of March 31, 2017	Net Book Value as of December 31, 2016
	Useful Life (in years)	Balance at the Beginning	Retirements	For the period	Balances as of March 31, 2017		
Furniture and Fixtures	10	369,568	-	23,091	392,659	792,794	339,895
Audio and Video	5	136,043	-	4,827	140,870	114,435	77,165
Telecommunication Equipment	5	207,295	-	13,256	220,551	238,670	96,233
Computer Equipment	3	7,156,327	-	479,997	7,636,324	3,629,858	4,028,898
Improvements in Third-Party Property	10	-	-	47,575	47,575	4,810,044	1,822,196
Total as of March 31, 2017		7,869,233	-	568,746	8,437,979	9,585,801	6,364,387
Total as of March 31, 2016		6,524,192	-	188,438	6,712,630	1,985,598	

4.2 - Intangible Assets

Main Account	Historical value			
	Balance at the Beginning	Additions	Retirements	Balances as of March 31, 2017
Software	406,468	-	-	406,468
Projects in-Progress	-	541,494	-	541,494
Total as of March 31, 2017	406,468	541,494	-	947,962
Total as of March 31, 2016	406,468	-	-	406,468

Main Account	Amortization					Net Book Value as of March 31, 2017	Net Book Value as of December 31, 2016
	Amortization Period (in years)	Balance at the Beginning	Retirements	For the period	Balances as of March 31, 2017		
Software	3	364,903	-	12,442	377,345	29,123	41,564
Projects in-Progress		-	-	-	-	541,494	-
Total as of March 31, 2017		364,903	-	12,442	377,345	570,617	41,564
Total as of March 31, 2016		299,135	-	16,442	315,577	90,891	

Signed for identification purposes
with the report dated May 11, 2017See our report dated
May 11, 2017
PRICE WATERHOUSE & CO. S.R.L.CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

4.3 - Investments in Unconsolidated Affiliates

Information about the issuer - Latest financial statements											
	Class	Nominal Value	Number	Value recorded as of March 31, 2017 (1)	Value recorded as of December 31, 2016 (1)	Main business activity	Date	Capital Stock	Net Income	Equity	Interest (%)
<u>Non-Current Investments</u>											
VLG ⁽⁵⁾	-	-	-	-	-	Investing and financing	03.31.2017	5,791,630,697	961,778,492	6,713,209,345	50.00%
Goodwill				-	-						
Cablevisión ⁽⁵⁾	Common	Ps. 10,000	41,207	-	-	Cable Television - Community Antenna - Telecommunications Services - Investments in Unconsolidated Affiliates	03.31.2017	197,397,110	1,190,752,330	9,677,800,613	34.34%
Pem S.A. ⁽⁵⁾	Common	Ps. 1	1	-	-	Investing	03.31.2017	13,558,511	6,280,285	54,769,986	0.00%
AGEA	Common	Ps. 1	1,397,974,126	1,257,823,595	1,401,922,087	Publishing and Printing	03.31.2017	1,441,374,151	(150,074,954)	1,294,597,924	96.99%
AGR	Common	Ps. 1	68,630,128	-	33,892,207	Printing	03.31.2017	308,959,139	(213,060,637)	55,001,688	22.21%
CIMECO	Common	Ps. 1	37,412,958	50,825,103	51,926,349	Investing and financing	03.31.2017	180,479,453	(7,145,138)	381,918,633	20.70% (4)
Goodwill				58,837,707	58,837,707						
CMI	Common	Ps. 1	98	367,542	370,572	Advertising	03.31.2017	12,000	(370,942)	45,005,122	0.80%
ARTEAR.	Common	Ps. 1	57,747,859	1,247,212,951	1,146,222,082	Broadcasting Services	03.31.2017	59,611,118	94,033,316	1,376,158,842	96.87% (2)
IESA	Common	Ps. 1	52,812,454	201,356,191	178,887,402	Investing and financing	03.31.2017	38,325,795	23,704,715	211,172,459	96.00%
Radio Mitre	Common	Ps. 1	63,555,121	171,875,643	153,489,032	Broadcasting Services	03.31.2017	65,413,136	18,750,012	179,986,093	97.15%
GC Services	-	-	-	34,987,534	36,131,665	Investing and financing	03.31.2017	19,075,942	(1,144,131)	34,987,534	100%
GCGC	Common	Ps. 1	29,382,546	32,199,385	24,102,843	Services	03.31.2017	30,291,285	8,346,949	33,195,239	97.00%
CMD	Common	Ps. 1	232,305,711	113,334,198	124,820,353	Investing and services	03.31.2017	236,475,711	(9,112,415)	160,591,196	98.24%
GC Minor	Common	Ps. 1	44,878,808	58,346,139	59,675,143	Investing and financing	03.31.2017	47,237,879	(651,726)	62,692,743	95.00%
GCSA Investments	-	-	-	34,642,402	41,314,851	Investing and financing	03.31.2017	25,998,910	-	24,873,328	100%
Total				3,261,808,390	3,311,592,293						
<u>Other Non-Current Liabilities</u>											
Equity ⁽⁵⁾	-	-	-	-	-	Investing and financing	03.31.2017	1,504	6,222,422	(344,914,626)	100%
AGR	Common	Ps. 1	68,630,128	14,118,234	-						
Total				14,118,234	-						

⁽¹⁾ In certain cases, the equity value does not correspond to the related shareholders' equity due to: (i) the adjustment of the equity value to the Company's accounting policies, as required by professional accounting standards, (ii) the elimination of goodwill generated

by transactions between companies under the Company's common control, (iii) the existence of irrevocable contributions, and (iv) adjustments to fair market value of net assets for acquisitions made by the Company.

⁽²⁾ Interest in votes amounts to 98.8%.

⁽³⁾ Companies through which an interest is held in Cablevisión S.A.

⁽⁴⁾ Interest in votes amounts to 23.2%.

⁽⁵⁾ See Notes 15 and 4.10.

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017
PRICE WATERHOUSE & CO. S.R.L.

CARLOS ALBERTO PEDRO DI CANDIA
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

Equity in Earnings from Affiliates and Subsidiaries

	March 31, 2017	March 31, 2016
SHOSA ⁽¹⁾	-	344,097,245
Vistone ⁽¹⁾	-	246,724,964
CVB ⁽¹⁾	-	59,025,874
CLC ⁽¹⁾	-	13,735,237
AGEA	(144,448,832)	(35,875,659)
IESA	22,468,789	21,557,649
CIMECO	(1,101,246)	902,267
GCSA Investments	(6,672,449)	(39,685,579)
ARTEAR.	100,990,177	13,692,645
Radio Mitre	18,386,611	(1,056,551)
GCGC	8,096,542	9,457,498
CMD	(8,885,215)	(8,775,171)
GC Services	(1,144,131)	3,798,515
Other	(49,379,316)	(1,375,353)
	<u>(61,689,070)</u>	<u>626,223,581</u>

⁽¹⁾ See Note 15.**4.4 – Other Investments**

	March 31, 2017	December 31, 2016
Money Market	23,901,380	24,883,519
Term Deposits	20,042,740	-
Mutual Funds	17,160,703	59,338,922
	<u>61,104,823</u>	<u>84,222,441</u>

4.5 - Debt

	March 31, 2017	December 31, 2016
Non-Current		
Related Parties (Note 6)	-	367,813,013
	<u>-</u>	<u>367,813,013</u>
Current		
Bank Overdraft	-	3,475,247
	<u>-</u>	<u>3,475,247</u>

The following table details the changes in loans and indebtedness for the periods ended March 31, 2017 and 2016:

	2017	2016
Balances as of January 1st	371,288,260	287,999,976
Accrued Interest	5,770,532	6,623,748
Exchange Differences	(11,648,423)	36,573,792
Settlement of principal and interest	(3,497,864)	-
Reclassification as Liabilities Held for Distribution to Shareholders (Note 4.10)	(361,912,505)	-
Balances as of March 31	<u>-</u>	<u>331,197,516</u>

Signed for identification purposes
with the report dated May 11, 2017CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory CommitteeSee our report dated
May 11, 2017
PRICE WATERHOUSE & CO. S.R.L.(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

4.6 - Assets and Liabilities in Foreign Currency

Items	March 31, 2017			December 31, 2016		
	Type and Amount of Foreign Currency	Prevailing Exchange Rate	Amount in Local Currency	Type and Amount of Foreign Currency	Amount in Local Currency	
ASSETS						
CURRENT ASSETS						
Other Receivables	USD 1,090	15.29	16,666	USD 1,090		17,211
Other Investments	USD 1,563,203	15.29	23,901,380	USD 1,575,904		24,883,519
Cash and Banks	USD 77,887	15.29	1,190,898	USD 79,049		1,248,190
Total Current Assets			25,108,944			26,148,920
Total Assets			25,108,944			26,148,920
LIABILITIES						
NON-CURRENT LIABILITIES						
Debt ⁽¹⁾	USD -	15.39	-	USD 23,147,452		367,813,013
Total Non-Current Liabilities			-			367,813,013
Total Liabilities			-			367,813,013

USD - US Dollars

⁽¹⁾ As of March 31, 2017, it is disclosed under the item Assets Held for Distribution to Shareholders (See Notes 15 and 4.10).**4.7 Changes in Allowances**

Items	Balance at the Beginning	Increases	Decreases	Balances as of March 31, 2017	Balances as of December 31, 2016
Deducted from Assets					
Valuation Allowance for Net Deferred Tax Assets	89,544,792	8,484,708 ⁽¹⁾	-	98,029,500	89,544,792
Valuation Allowance for Tax on Assets	33,853,449	1,384,432 ⁽¹⁾	(5,798,059)	29,439,822	33,853,449
Total	123,398,241	9,869,140	(5,798,059)	127,469,322	123,398,241

⁽¹⁾ Charged to Income Tax and Tax on Assets**4.8 - Financial Costs**

	March 31, 2017	March 31, 2016
Exchange Differences	11,648,423	(36,573,792)
Interest	(5,770,532)	(6,623,748)
	5,877,891	(43,197,540)

4.9 – Other Financial Results, net

	March 31, 2017	March 31, 2016
Exchange Differences and Other Financial Results	(572,818)	3,124,368
Interest	3,441,398	303,016
Other Taxes and Expenses	(1,030,790)	(1,351,067)
	1,837,790	2,076,317

Signed for identification purposes
with the report dated May 11, 2017CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory CommitteeSee our report dated
May 11, 2017
PRICE WATERHOUSE & CO. S.R.L.(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

4.10 – Assets and liabilities held for distribution to shareholders and Discontinued operations

As described in Note 15 to the interim condensed parent company only financial statements as of March 31, 2017 and December 31, 2016, the Company's interest in Cablevisión, PEM, VLG and in GCSA Equity and certain assets and liabilities of the Company have been classified as of that date as "Assets held for distribution to shareholders" and as "Liabilities held for distribution to shareholders", respectively, as required under IFRS.

The following is a detail of the assets and liabilities disclosed under "Assets held for distribution to shareholders" and "Liabilities held for distribution to shareholders" as of March 31, 2017 and December 31, 2016 (in millions of Argentine Pesos):

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
ASSETS		
NON-CURRENT ASSETS		
Deferred Tax Assets	10	11
Investments in Unconsolidated Affiliates ⁽¹⁾	7,334	6,806
Total Non-Current Assets	<u>7,344</u>	<u>6,817</u>
Total Assets Held for Distribution to Shareholders	<u>7,344</u>	<u>6,817</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Debt ⁽³⁾	362	-
Other Liabilities ⁽²⁾	345	351
Total Non-Current Liabilities	<u>707</u>	<u>351</u>
CURRENT LIABILITIES		
Taxes Payable	1	-
Total Non-Current Liabilities	<u>1</u>	<u>-</u>
Total Liabilities Held for Distribution to Shareholders	<u>708</u>	<u>351</u>

(1) Corresponds to the interest in VLG, Cablevisión and PEM.

(2) Corresponds to the interest in GCSA Equity.

(3) As of March 31, 2017, the Company holds a loan with a related company for USD 23 million, due in June 2021. That loan accrues interest at an annual rate of 6.5%, which may be capitalized on a semi-annual basis in June and December of each year. The first capitalization will be in June 2017.

In connection with the same situations mentioned above, the following is a detail of the results for the three-month periods ended March 31, 2017 and 2016, classified as discontinued operations corresponding to Equity in earnings from Cablevisión, VLG and GCSA Equity (in millions of Argentine Pesos):

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Cablevisión	643.6	-
VLG	480.9	65.5
GCSA Equity	6.2	-
Net Income from Discontinued Operations	<u>1,130.7</u>	<u>65.5</u>

Signed for identification purposes
with the report dated May 11, 2017

CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee

See our report dated
May 11, 2017
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

NOTE 5 - INFORMATION REQUIRED UNDER SECTION 64, SUBSECTION b) OF LAW No. 19,550

Item	Administrative Expenses	
	March 31, 2017	March 31, 2016
Salaries, Social Security and Benefits to Personnel	42,814,256	35,930,836
Supervisory Committee's fees	412,500	317,250
Fees for services	32,851,870	13,440,443
Taxes, Duties and Contributions	3,490,226	2,261,573
Other personnel expenses	1,940,905	730,604
General expenses	66,168	82,683
IT expenses	182,229	466,008
Maintenance Expenses	2,205,859	1,025,106
Communication expenses	522,874	266,155
Advertising expenses	241,462	269,317
Travel Expenses	3,743,828	1,640,383
Stationery and Office Supplies	40,030	87,249
Depreciation of Property, Plant and Equipment	568,746	188,438
Amortization of Intangible Assets	12,442	16,442
Other expenses	2,033,759	1,641,589
Total	91,127,154	58,364,076

NOTE 6 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The following table shows the breakdown of the Company's balances with its related parties as of March 31, 2017 and December 31, 2016.

Company	Item	March 31, 2017	December 31, 2016
<u>Subsidiaries</u>			
AGEA	Other Receivables	136,161,186	125,271,186
	Trade Payables and Other	(477,317)	(425,820)
ARTEAR.	Other Receivables	181,836	5,989,835
	Trade Payables and Other	(67,343)	(67,343)
IESA	Dividends Receivable	-	2,160,068
Radio Mitre	Other Receivables	5,506,323	1,876,323
GCGC	Other Receivables	10,741	115,835
	Trade Payables and Other	(8,743)	(36,830)
CMD	Other Receivables	2,512,269	2,449,031
	Trade Payables and Other	(124,926)	(124,926)
GC MINOR	Other Receivables	1,050,000	50,000
GC Services	Other Receivables	16,666	17,211

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017
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CARLOS ALBERTO PEDRO DI CANDIA
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

Company	Item	March 31, 2017	December 31, 2016
<u>Indirectly controlled</u>			
Cablevisión	Trade Payables and Other	(1,573,878)	(1,251,819)
	Other Receivables	31	7,502,032
	Dividends Receivable	549,426,667	-
	Debts (1)	-	(367,813,013)
AGR	Other Receivables	1,815,000	-
	Trade Payables and Other	(21,468)	(16,575)
UNIR	Other Receivables	4,496,657	3,396,157
	Trade Payables and Other	(2,360)	(2,360)
Impripost	Other Receivables	1,635,675	1,635,675
Ferias y Exposiciones S.A.	Other Receivables	128	128
TRISA	Trade Payables and Other	(1,582,114)	(1,938,127)

⁽¹⁾ As of March 31, 2017, it is disclosed under the item Assets Held for Distribution to Shareholders (See Notes 15 and 4.10).

The following table details the transactions carried out by the Company with related parties for the three-month periods ended March 31, 2017 and 2016:

Company	Item	March 31, 2017	March 31, 2016
<u>Subsidiaries</u>			
AGEA	Management fees	9,000,000	4,500,000
	Advertising	(46,634)	(88,316)
ARTEAR.	Management fees	21,000,000	14,400,000
Radio Mitre	Management fees	6,000,000	975,000
GCGC	Services	(4,953,296)	(3,983,452)
CMD	Interest income from loans	98,354	153,076
SHOSA	Interest expense from loans	-	(4,290,056)
CVB	Interest expense from loans	-	(259,299)
VISTONE	Interest expense from loans	-	(2,074,393)
<u>Indirectly controlled</u>			
Cablevisión	Management fees	22,800,000	18,600,000
	Services	(796,846)	(86,371)
	Interest Expense	(5,747,915)	-
UNIR	Management fees	3,000,000	2,100,000
PRIMA	Services	-	(320,905)
AGR	Management fees	1,500,000	3,900,000
	Services	(4,027)	(1,126)

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with the report dated May 11, 2017

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(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

NOTE 7 - TERMS AND INTEREST RATES OF INVESTMENTS, RECEIVABLES AND LIABILITIES

	<u>March 31, 2017</u>
<u>Other Investments</u>	
Without any established term ⁽¹⁾	41,062,083
Due	
Within three months ⁽³⁾	20,042,740
	<u>20,042,740</u>
	<u>61,104,823</u>
<u>Receivables</u>	
Without any established term ⁽²⁾	151,850,883
Due	
Within three months ⁽⁴⁾	287,375,565
More than three months and up to six months	1,000,000
More than six months and up to nine months	274,713,334
	<u>563,088,899</u>
	<u>714,939,782</u>
<u>Liabilities</u> ⁽⁵⁾	
Without any established term	4,626,360
Due	
Within three months	70,786,463
In more than nine months and up to twelve months	200,352
	<u>70,986,815</u>
	<u>75,613,175</u>

⁽¹⁾ Bearing interest at variable rate. They include a balance of USD 1.563.203.⁽²⁾ They do not bear interest and include a balance of USD 1.090.⁽³⁾ It includes Ps 20,000,000 and accrues interest at a fixed rate.⁽⁴⁾ Includes Ps. 2.4 million which bears interest at a fixed rate, the remaining balance does not bear any interest.⁽⁵⁾ Non-interest bearing.**NOTE 8 - PROVISIONS AND OTHER CONTINGENCIES****8.1 Regulatory Framework**

- a. SCI Resolution No. 50/10 approved certain rules for the sale of pay television services. These rules provide that cable television operators must apply a formula to estimate their monthly subscription prices. The price arising from the application of the formula was to be informed to the Office of Business Loyalty (Dirección de Lealtad Comercial) between March 8 and March 22, 2010. Cable television operators must adjust such amount semi-annually and inform the result of such adjustment to said Office.

Even though as of the date of these financial statements the subsidiary Cablevisión cannot assure the actual impact of the application of this formula, given the vagueness of the variables provided by the Resolution to calculate the monthly subscription prices, Cablevisión believes that Resolution No. 50/10 is arbitrary and bluntly disregards its freedom to contract, which is part of the right to freedom of industry and trade. Therefore, it has filed the pertinent administrative claims and has brought the necessary legal actions requesting the suspension of the Resolution's effects and ultimately requesting its nullification.

Even though Cablevisión, like other companies in the industry, has strong constitutional arguments to support its position, it cannot be assured that the final outcome of this issue will be favorable. Therefore, Cablevisión and/or some of its subsidiaries may be forced to modify the price of their pay television subscription, a situation that could significantly affect the revenues of their core business. This creates a general framework of uncertainty over the businesses of Cablevisión and/or some of its subsidiaries that could significantly affect the recoverability of their relevant assets and Grupo Clarín S.A.'s assets related to its investment in Cablevisión. Notwithstanding the foregoing, as of the date of these financial statements, in accordance with the decision rendered on August 1, 2011 in re "LA CAPITAL CABLE S.A.

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

v/ Ministry of Economy-Secretariat of Domestic Trade", the Federal Court of Appeals of the City of Mar del Plata has ordered the SCI to suspend the application of Resolution No. 50/10 with respect to all cable television licensees represented by the Argentine Cable Television Association ("ATVC", for its Spanish acronym). Upon being served on the SCI and the Ministry of Economy on September 12, 2011, such decision became fully effective and may not be disregarded by the SCI. The National Government filed an appeal against the decision rendered by the Federal Court of Appeals of Mar del Plata to have the case brought before the Supreme Court. Such appeal was dismissed and so the National Government filed a direct appeal with the Supreme Court, which was also dismissed.

On June 1, 2010, the SCI imposed a Ps. 5 million fine on Cablevisión alleging that it had failed to comply with the information regime set forth by Resolution No. 50/10, and invoking the Antitrust Law to impose such penalty. The fine was appealed and submitted to the National Court of Appeals on Federal Administrative Matters, Chamber No. 5, which decided to reduce the fine to Ps. 300,000. Cablevisión appealed this decision by filing an extraordinary appeal with the Supreme Court of Argentina.

On March 10, 2011 SCI Resolution No. 36/11 was published in the Official Gazette. This Resolution falls within the framework of SCI Resolution No. 50/10. Resolution No. 36/11 sets forth the parameters to be applied to the services rendered by Cablevisión to its subscribers from January through April 2011. These parameters are as follows: 1) the monthly basic subscription price shall be Ps. 109 for that period; 2) the price of other services rendered by Cablevisión should remain unchanged as of the date of publication of the resolution; and 3) the promotional benefits, existing rebates and/or discounts already granted as of that same date shall be maintained. The resolution also provides that Cablevisión shall reimburse users for any amount collected above the price set for that period.

Cablevisión believes that Resolution No. 36/10 is illegal and arbitrary, since it is grounded on Resolution No. 50/10, which is absolutely null and void. Since the application of Resolution No. 50/10 has been suspended, the application of Resolution No. 36/2011, which falls within the framework of the former, is also suspended.

The claim filed by Cablevisión seeking the nullification of Resolution No. 50/2010 is currently pending before the Federal Administrative Court of First Instance No. 7 of the City of Buenos Aires. This claim was dismissed in view of the claim pending in the City of Mar del Plata.

Subsequently, the SCI issued Resolutions Nos. 65/11, 92/11, 123/11, 141/11, 10/11, 25/12, 97/12, 161/12, 29/13, 61/13, 104/13, 1/14, 43/14 and 93/14 pursuant to which the SCI extended the effectiveness of Resolution No. 36/11 up to and including September 2014, and adjusted the cable television subscription price to Ps.152. Cablevisión believes, however, that given the terms under which the Federal Court of the City of Mar del Plata granted the preliminary injunction, that is, ordering the SCI to suspend the application of Resolution No. 50/10 with respect to all cable television licensees represented by ATVC (among them, Cablevisión and its subsidiaries), and also given the fact that Resolutions No. 36/11, 65/11, 92/11, 123/11, 141/11, 10/11, 25/12, 97/12, 161/12, 29/13, 61/13, 104/13, 1/14, 43/14 and 93/14 merely apply Resolution No. 50/10, Cablevisión continues to be protected by said preliminary injunction, and, therefore, the ordinary course of its business will not be affected.

Signed for identification purposes
with the report dated May 11, 2017

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See our report dated
May 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

On April 23, 2013, Cablevisión was served notice of a decision rendered in re “Ombudsman of Buenos Aires v. Cablevisión S.A. on Complaint for the protection of constitutional rights Law 16,986 (Motion for Preliminary Injunction)” pending before Federal Court No. 2, Civil Clerk’s Office No. 4 of the City of La Plata in connection with the price of cable television subscriptions, whereby the court imposed a cumulative daily fine of Ps. 100,000 per day on Cablevisión.

Cablevisión appealed the fine on the grounds that Resolution No. 50/10 issued by Mr. Moreno, as well as its extensions and/or amendments were suspended, as mentioned above, by an injunction with respect to Cablevisión and its branches and subsidiaries prior to the imposition of the fine; pursuant to the collective injunction issued by the Federal Court of the City of Mar del Plata on August 1, 2011 in re “La Capital Cable and Others v. National Government and Others on Preliminary Injunction”. That injunction suspended the application of all the criteria set by the Secretariat of Domestic Trade under Mr. Guillermo Moreno.

The Federal Court of Appeals of the City of La Plata reduced the fine to Ps. 10,000 per day. Cablevisión filed an appeal against that decision in due time and form. On October 16, 2013, the Court of Appeals dismissed the appeal filed by Cablevisión. As of the date of these financial statements, Cablevisión had settled the fine in the amount of Ps. 1,260,000 and compliance was recorded in the file.

On June 11, 2013, Cablevisión was served notice of a resolution rendered in the above-mentioned case; whereby the court ordered the appointment of an expert overseer (*perito interventor*) specialized in economic sciences to: (i) verify whether or not the invoices corresponding to the basic cable television subscription issued by Cablevisión to subscribers domiciled in the Province of Buenos Aires, are actually prepared at the headquarters located at Gral. Hornos 690, and/or at Cablevisión’s branch offices, precisely detailing that process, (ii) identify the individuals responsible for that area, (iii) determine whether or not the administrative actions tending towards the effective compliance with the injunction issued on that case are underway, and (iv) identify the senior staff of Cablevisión that must order the invoice issuance area to prepare the invoices as decided under that injunction.

Cablevisión timely appealed the appointment of said expert on the same grounds stated above. This appeal is also pending before the Federal Court of Appeals of the City of La Plata.

For the purposes of enforcing the injunction, the court issued letters rogatory to the competent judge of the City of Buenos Aires. Upon the initiation of that proceeding, both the National Court on Federal Administrative Matters and the National Court on Federal Civil and Commercial Matters declined jurisdiction to enforce the injunction ordered by the Federal Judge of La Plata. Cablevisión has appealed the decision in connection with the lack of jurisdiction in due time and form. Chamber No. 1 of the National Court of Appeals on Federal Civil and Commercial Matters confirmed the appealed decision. Accordingly, Cablevisión will file an extraordinary appeal in due time and form to have the case decided by the Supreme Court of Argentina.

It should be noted that, in light of the corporate reorganization of Cablevisión, both parties requested the suspension of the procedural periods for 180 days. The judge granted such request. Therefore, the procedural periods were suspended until December 11, 2014. Given the decision rendered by the Supreme Court of Argentina in re “Municipality of Berazategui v. Cablevisión” mentioned below, the procedural periods remain suspended until the Federal Court of Mar del Plata renders a decision thereon.

The file initiated by the Ombudsman before the Federal Court of La Plata, was sent to Mar del Plata, as established by the decision rendered in re Municipality of Berazategui v. Cablevisión referred to below, ordering that the preliminary injunction be revoked because it contradicts the injunction ordered in the proceeding initiated by ATVC.

After the Federal Court of the City of Mar del Plata issued its injunction, several Municipal Offices of Consumer Information (“OMIC”, for its Spanish acronym) and several individuals filed claims requesting that Cablevisión comply with Resolution No. 50/10 and the subsequent resolutions that extended its effectiveness. In some cases, preliminary injunctions were granted. In every case, Cablevisión appealed

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

such preliminary injunctions alleging that Resolution No. 50/10, as amended, and/or the subsequent resolutions that extended its effectiveness, had been suspended with respect to Cablevisión, its branches and subsidiaries prior to the issuance of such preliminary injunctions.

On September 23, 2014, the Supreme Court of Argentina rendered a decision in re "Application for judicial review brought by the defendant in the case Municipality of Berazategui v. Cablevisión S.A. on claim for the protection of constitutional rights (*acción de amparo*)" and ordered that the cases related to these resolutions continue under the jurisdiction of the Federal Court of Mar del Plata that had issued the decision on the collective action in favor of ATVC.

Decisions made on the basis of these parent company only financial statements should consider the eventual impact that the above-mentioned resolutions might have on Cablevisión and its subsidiaries, and the Company's parent company only financial statements should be read in light of such uncertainty.

- b. On April 5, 2017, a subsidiary of Cablevisión received a notification from the Under-Secretary of State for Taxation of Treasury ("SET") of the Republic of Paraguay, whereby that subsidiary was informed that it had failed to determine the additional IRACIS rate on the accumulated results of the companies merged in 2014. The Company's subsidiary considers that it has solid arguments to support its position.

8.2 Claims and Disputes with Governmental Agencies

- a. In connection with the decisions made at the Company's Annual Ordinary Shareholders' Meeting held on April 28, 2011, on September 1, 2011 the Company was served with a preliminary injunction in re "National Social Security Administration v. Grupo Clarín S.A. re ordinary proceeding" whereby the Company may not in any way dispose, in part or in whole, of the Ps. 387,028,756 currently recorded under the retained earnings account, other than to distribute dividends to the shareholders.

On the same date, the Company was served with a claim brought by Argentina's National Social Security Administration requesting the nullity of the decision made on point 7 (Appropriation of Retained Earnings) of the agenda of the Annual Ordinary Shareholders' Meeting held on April 22, 2010. As of the date of these financial statements, the Company has duly answered the complaint, the parties have produced evidence and made allegations. Therefore, the court has to render a decision.

On November 1, 2011, the CNV issued Resolution No. 593, which provides that at shareholders' meetings in which financial statements are considered shareholders must expressly decide to, either distribute as dividends any retained earnings that are not subject to distribution restrictions and that may be disposed of pursuant to applicable law or capitalize such retained earnings and issue shares, or appropriate them to set up reserves other than legal reserves, or a combination of the above.

On July 12, 2013, the Company was served notice of Resolution No. 17,131; dated as of July 11, 2013 whereby the CNV declared that the administrative effects of the decisions adopted at the Annual General Ordinary Shareholders' Meeting held on April 25, 2013 were irregular and ineffective, based on allegations that are absolutely false and irrelevant. According to the Company and its legal advisors, Resolution No. 17,131 is, among other things, null and void, because it lacks sufficient grounds and its enactment is a clear abuse of authority and a further step in the National Government's attempt to intervene in the Company. On October 11, 2013 Chamber No. 5 of the National Court of Appeals on Federal Administrative Matters issued a preliminary injunction in re "Grupo Clarín S.A. v. CNV — Resol No. 17.131/13 (File 737/13)" File No. 29,563/2013, whereby it suspended the effects of Resolution No. 17.131/2013 dated July 11, 2013 which had rendered irregular and with no effect for administrative purposes the Company's Annual Ordinary Shareholders' Meeting held on April 25, 2013. As of the date of these financial statements, the preliminary injunction is still in effect.

In August 2013 the Company was served with a nullification claim brought by Argentina's National Social Security Administration relating to the Annual Ordinary Shareholders' Meeting held on April 28, 2011 whereby it requested the nullity of all the decisions made at such meeting and, as a default argument, the

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

nullity of the decisions made on points 2, 4 and 7 of that meeting's agenda, as well as the nullity of the decisions made at the Extraordinary Meetings of Class A, B and A and B Shareholders. As of the date of these financial statements, the judge ordered discovery proceedings and a hearing was called for conciliatory purposes under the terms of Section 360 of the Civil and Commercial Procedure Code.

On September 17, 2013 the Company was served with a nullification claim brought by Argentina's National Social Security Administration relating to the Annual Ordinary Shareholders' Meeting held on April 26, 2012 whereby it requested the nullity of all the decisions made at such meeting and, as a default argument, the nullity of the decisions made on points 8 and 4 of that meeting's agenda, as well as the nullity of the decisions made at the Extraordinary Meetings of Class A, B and A and B Shareholders. As of the date of these financial statements, the judge ordered discovery proceedings and a hearing was called for conciliatory purposes under the terms of Section 360 of the Civil and Commercial Procedure Code.

On March 21, 2014, the Company was served notice of a claim brought by Argentina's National Social Security Administration in re "National Social Security Administration v. GRUPO CLARÍN S.A. on Ordinary Proceeding" File No. 74,429, pending before the National Court of First Instance on Commercial Matters No. 17, Clerk's Office No. 34. This claim seeks to nullify and challenge the corporate decisions made at the Shareholders' Meeting held on April 25, 2013 and those made at the Board of Directors' Meeting held on April 26, 2013. As of the date of these financial statements, discovery proceedings have been initiated and evidence is being produced.

On September 16, 2014, the Company received a communication from its controlling shareholder, GC Dominio S.A., whereby that company informed that it had been summoned to court as a third party in re "National Social Security Administration v. Grupo Clarín S.A. on Ordinary Proceeding", pending before the National Court of First Instance on Commercial Matters No. 17, Clerk's Office No. 33. As of the date of these financial statements and as informed by GC Dominio S.A., that company has filed a response to the above-mentioned claim.

On April 4, 2017, the Company was served notice of a claim brought by Argentina's National Social Security Administration in re "National Social Security Administration v. GRUPO CLARÍN S.A. on Ordinary Proceeding" File -22658/2015, pending before the National Court of First Instance on Commercial Matters No. 17, Clerk's Office No. 34. This claim seeks to nullify and challenge the corporate decisions made at the Shareholders' Meeting held on April 29, 2014. As of the date of these financial statements, the Company has filed a response.

According to the Company and its legal advisors, the outstanding claims requesting the nullification of the Shareholders' Meetings have no legal grounds. Therefore, they believe that the Company will not have to face adverse consequences in this regard.

- b. On August 13, 2012, the parent company GC Dominio S.A. was served notice of a claim brought by the Argentine Superintendency of Legal Entities (IGJ) whereby that agency seeks to annul the registration with the Public Registry of Commerce of the appointment of GC Dominio S.A.'s authorities, approved at the Shareholders' Meeting held on May 17, 2011. The claim is pending before the Federal Court of First Instance on Commercial Matters No. 25, Clerk's Office No. 49 ("Inspección General de Justicia v. Dominio S.A. on/Ordinary", File No. 58652). The claim brought by the IGJ seeks to annul the registration with IGJ of the appointment of GC Dominio S.A.'s authorities, approved at the Annual General Ordinary Shareholders' Meeting of GC Dominio held on May 17, 2011. The appointment was registered with the IGJ on April 23, 2012 under No. 7147, Book No. 59 of Share Companies. According to the IGJ and as the case file is said to show, GC Dominio has allegedly failed to comply with certain regulations applicable to foreign shareholders upon registration of the appointment of authorities. Also within the framework of this claim, the Court issued an injunction in favor of the IGJ ordering that the existence of this claim be duly noted. The Chamber has confirmed the decision to order that the existence of this claim be duly noted.

Signed for identification purposes
with the report dated May 11, 2017

See our report dated
May 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

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(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

As of the date of these financial statements, the file has been submitted to the Federal Criminal and Correctional Court No. 4 - Clerk's office No. 8, where it is pending consideration.

GC Dominio S.A.'s legal advisors have strong grounds to argue that the resolution of IGJ's claim seeking the de-registration of the appointment of authorities has serious defects and infringes the guarantees of reasonableness and due process; a principle that derives from the constitutional guarantee of defense in court, which entails the right to be heard and to produce evidence to contradict a claim. GC Dominio S.A. has appealed such injunction because it considers that the IGJ has not shown that its legal arguments are, at least, plausible. The injunction was ratified by the court of appeals.

8.3 Other Claims and Disputes

- a. As mentioned under Note 10.3.a. to the parent company only financial statements as of December 31, 2016, which describes the events related to the claim brought by TSC against AFA for contractual breach and damages, TSC has executed an agreement with AFA whereby TSC undertook to withdraw the claim and waive its right to litigation no earlier than August 1, 2017, within the framework of negotiations regarding potential new businesses related to audiovisual rights to Argentine first division soccer tournament matches.

8.4 Matters concerning Papel Prensa

As mentioned in Note 10.4 to the parent company only financial statements as of December 31, 2016, on March 30, 2017, the hearing that had been called by Chamber C of the National Court of Appeals on Commercial Matters was held. At that hearing, it was decided that the procedural periods regarding the claims pending before that court of appeals shall remain suspended, and Papel Prensa requested that the majority of the claims involving Papel Prensa be declared moot. The Court of Appeals served notice of those decisions on the National Government, which has not responded yet. Papel Prensa submitted the same request to the Court of First Instance on Commercial Matters before which the claims that were not submitted to the court of appeals are pending.

NOTE 9 - REGULATORY FRAMEWORK**9.1. Matters related to the regulatory situation of the Company and certain subsidiaries.****9.1.1. NEXTEL.****9.1.1.1. Regulatory Approval of the Acquisition of NEXTEL**

On March 7, 2016, the ENACOM issued Resolution No. 280/2016, whereby it authorized the change of control of NEXTEL COMMUNICATIONS ARGENTINA S.R.L. in favor of Cablevisión S.A.

On April 12, 2017, the CNDC notified Cablevisión of Resolution No. 293/2017 dated April 10, 2017, whereby the CNDC authorized the economic concentration operation consisting of the acquisition by Cablevisión and Televisión Dirigida of 51.4% and 48.6%, respectively, of the shares of NEXTEL, which were owned by NII Mercosur Telecom S.L.U. and NII Mercosur Móviles S.L.U.

Signed for identification purposes
with the report dated May 11, 2017

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See our report dated
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(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

9.1.1.2. Other requests for authorization filed with the ENACOM

On June 22, 2016, NEXTEL made a filing with the ENACOM in order to request authorization for direct and indirect share transfers that would imply a direct and/or indirect change of control in favor of NEXTEL, pursuant to Section 13 of Law No. 27,078 with respect to the licensees of telecommunication services listed below:

- Fibercomm S.A.
- Trixco S.A.
- Callbi S.A.
- Infotel S.A.
- Skyonline de Argentina S.A.
- Netizen S.A.
- Eritown Corporation Argentina S.A.

Within the required term, on January 6, 2017, the ENACOM issued Resolution No. 111/2017, which under section 1 authorizes the share transfers mentioned above.

The filing made on June 22, 2016 also included a request to change the allocation of a portion of the spectrum that corresponds to the licensees acquired by the Company in order to render 4G services, which was not addressed in ENACOM Resolution No. 111/2017.

Notwithstanding the foregoing, taking into consideration the new regulations provided under Decree No. 1,340/16 and Resolution No. 171/2017 issued by the Ministry of Communications, NEXTEL reformulated the original request in accordance with the new effective regulations, thus initiating a new administrative file. In this last filing, the Company finally requested:

- The beginning of a Refarming process with Economic Compensation as provided under Resolution No. 171/2017.
- The authorization of the agreements executed by NEXTEL with the licensees acquired by Cablevisión to operate the services registered by NEXTEL with the portion of the spectrum allocated to those licensees to render their respective services;
- The approval of the registration requested by NEXTEL of the Advanced Mobile Telecommunications Service; and,
- The authorization of the change that would allow that company:
 - To change the allocation and channeling on a primary basis of the 905-915 MHz and 950-960 MHz bands to render advanced mobile communication services at national level with primary status; and,
 - To enhance the allocation of the frequency bands and change the channeling of the 2500 MHz band to the 2690 MHz band to render advanced mobile communication services at national level with primary status.

By means of Resolution ENACOM No. 1,033/2017, the ENACOM provided for the use of the frequency bands between 905 and 915 MHz and between 950 and 960 MHz for the rendering of the ADVANCED MOBILE COMMUNICATIONS SERVICE ("SCMA"), and by means of Resolution ENACOM No. 1034/2017, the ENACOM provided for the use of the frequency band between 2500 and 2690 MHz for the provision of SCMA, in addition to the current services when their coexistence is possible.

On March 6, 2017, NEXTEL was served with Resolution No. 1,299/ENACOM/2017, which was published in the Official Gazette on March 7, 2017 and approves the project for Refarming with Economic Compensation, filed by that Company to provide Advanced Mobile Communication Services in the frequencies that had been subject to changes in allocation pursuant to ENACOM Resolutions No. 1,033 and 1,034/2017

In addition, the ENACOM decided to register NEXTEL as provider of Advanced Mobile Communication Services in the Registry of Services; and to authorize the use of the above-mentioned frequencies.

Signed for identification purposes
with the report dated May 11, 2017

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

In the same resolution and as part of the authorization, that agency imposed additional Coverage Obligations on Nextel.

It also imposes two obligations that must be fulfilled prior to initiating the rendering of Advanced Mobile Communication Services: (i) the return of the proposed radio-electric spectrum; and (ii) the creation of a guaranty issued in favor of and satisfactory to ENACOM for an amount equal to the value of the radio-electric spectrum that is subject to return.

The Resolution also orders that Nextel shall post a performance bond to guarantee the obligations and responsibilities undertaken by that company to be issued in favor and to the satisfaction of the ENACOM for the amount and under the terms that shall be set forth in the contract to be executed with the ENACOM. That contract shall establish, in addition to the economic compensation to be paid by Nextel, the terms, conditions, goals, obligations and other matters inherent to the rendering of the Advanced Mobile Communication Services authorized by that agency to which Nextel shall be bound.

On April 12, 2017, Nextel and the ENACOM executed the agreement referred to in the previous paragraph. The amount corresponding to the Economic Compensation determined by ENACOM pursuant to Section "FIFTH" of said agreement and notified by said entity on April 26, 2017, was transferred to that agency on April 28, 2017. In the same act, NEXTEL accepted and expressly consented to the authorization granted to the Chairman of the ENACOM to decide on, within a term of 2 years as from the date of the agreement, the replacement with economic compensation of certain channels of the 2500-2690 MHz frequency bands for frequencies in other bands, as established under Article Seven of ENACOM Resolution No. 1,034/17.

Also, on May 5, 2017, Nextel posted the performance bond provided under the agreement in order to guarantee: (i) compliance with the coverage obligations in the localities ordered by ENACOM; and (ii) the return of compromised radio spectrum.

NOTE 10 – FINANCIAL INSTRUMENTS

Grupo Clarín's activities are exposed to several financial risks: Market risk (including exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

No changes were made in the risk department or to risk management policies, as from the annual parent company only financial statements as of December 31, 2016.

The following table shows the assets and liabilities denominated in US dollars, which is the foreign currency most commonly used in Grupo Clarín's operations as of March 31, 2017 and December 31, 2016:

	USD March 31, 2017	USD December 31, 2016
ASSETS		
CURRENT ASSETS		
Cash and Banks	77,887	79,049
Other Investments	1,563,203	1,575,904
Other Receivables	1,090	1,090
Total Current Assets	1,642,180	1,656,043
Total assets	1,642,180	1,656,043
LIABILITIES		
NON-CURRENT LIABILITIES		
Debt	-	23,147,452
Total Non-Current Liabilities	-	23,147,452
Total Liabilities	-	23,147,452

Signed for identification purposes
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

Bid/offered exchange rates as of March 31, 2017 and December 31, 2016 were of Ps. 15,29 and Ps. 15,39; and Ps. 15,79 and Ps. 15,89; respectively.

10.1. Financial Instruments at Fair Value

The following table shows Grupo Clarín's financial assets and liabilities measured at fair value at the closing of the reporting period and year:

	<u>March 31, 2017</u>	<u>Quoted Prices (Level 1)</u>	<u>Other Significant Observable Items (Level 2)</u>
<u>Assets</u>			
Current Investments	41,062,083	17,160,703	23,901,380
	<u>December 31, 2016</u>	<u>Quoted Prices (Level 1)</u>	<u>Other Significant Observable Items (Level 2)</u>
<u>Assets</u>			
Current Investments	84,222,441	59,338,922	24,883,519

Financial assets at fair value are measured using quoted prices for identical assets and liabilities (Level 1), or the prices of similar instruments arising from sources of information available in the market (Level 2). As of March 31, 2017 and December 31, 2016, the Company did not have assets or liabilities at fair value for which a comparison had not been conducted against observable market data to determine their fair value (Level 3).

10.2. Fair Value of Financial Instruments

The book value of cash and banks, accounts receivable and short-term liabilities is similar to the fair value because these are instruments with short-term maturities.

NOTE 11 - INTERESTS IN SUBSIDIARIES AND AFFILIATES

- a. In June 2016, Cablevisión, together with its subsidiary NEXTEL, acquired 100% (97% NEXTEL and 3% Cablevisión) of the capital stock of Fibercomm S.A. and Gridley Investments S.A. both owners of 100% of the capital stock of Trixco S.A., holder of licenses for the use of the radioelectric spectrum in the 900 Mhz bands. NEXTEL acquired 100% of the capital stock of WX Telecommunications LLC and Greenmax Telecommunications LLC, which are the controlling companies of Skyonline Argentina S.A., Netizen S.A., Infotel S.A. and Callbi S.A., among the most important subsidiaries. The latter render wireless telecommunications services and hold licenses for the use of the radioelectric spectrum in the 2.5 Ghz bands. The aggregate price for those transactions was USD 138.2 million, equivalent to Ps. 2,036 million.

During the year ended December 31, 2016, Cablevisión completed the process of allocating the acquisition cost of 100% (97% to Nextel and the remaining 3% to Cablevisión) of the capital stock of Fibercomm S.A. and Gridley Investments S.A., both owners of 100% of the capital stock of Trixco S.A., and calculated goodwill from this acquisition in the amount of Ps. 801.7 million.

On March 31, 2017, Cablevisión's Board of Directors approved the Pre-Merger Commitment executed between that company, Nextel Communications Argentina S.R.L., Greenmax Telecommunications S.A.U., WX Telecommunications S.A.U., Gridley Investments S.A., Trixco S.A., Fibercomm S.A., Netizen S.A., Eritown Corporation Argentina S.A., Skyonline de Argentina S.A., Infotel Argentina S.A., Nextwave Argentina S.A. and Callbi S.A., whereby, as of the merger date –first day of the month following the registration with the IGJ (“Effective Date of the Merger”), Cablevisión, in its capacity as absorbing company, will continue with the operations of Nextel Communications Argentina S.R.L., Greenmax Telecommunications S.A.U., WX Telecommunications S.A.U., Gridley Investments S.A., Trixco S.A.,

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(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

Fibercomm S.A., Netizen S.A., Eritown Corporation Argentina S.A., Skyonline de Argentina S.A., Infotel Argentina S.A., Nextwave Argentina S.A. and Callbi S.A. (the “Absorbed Companies”) thus generating the corresponding operating, accounting and tax effects. As a result of the above-mentioned corporate reorganization process, the Absorbed Companies would be dissolved without liquidation and Cablevisión would assume all the activities, receivables, property and all the rights and obligations of the above-mentioned companies, existing on the Effective Date of the Merger, or any that may exist or arise due to previous or subsequent acts or activities. As of the date of these financial statements, Cablevisión and the Absorbed Companies have called an extraordinary Shareholders’ Meeting to consider the above-mentioned Pre-Merger Commitment.

- b. On August 16, 2016, the Board of Directors of Cablevisión approved the Pre-Merger Commitment executed between that Company, Copetonas Video Cable S.A., Dorrego Televisión S.A., Fintelco S.A., Indio Rico Cable Color S.A., Primera Red Interactiva de Medios Argentinos (PRIMA) S.A., Cable Video SUR S.A., Wolves Televisión S.A. and Tres Arroyos Televisora Color S.A., whereby, on the effective date of the merger -October 1, 2016- (“Effective Date of the Merger”), Cablevisión, as absorbing company, will continue with the operations of Copetonas Video Cable S.A., Dorrego Televisión S.A., Fintelco S.A., Indio Rico Cable Color S.A., Primera Red Interactiva de Medios Argentinos (PRIMA) S.A., Cable Video SUR S.A., Wolves Televisión S.A. and Tres Arroyos Televisora Color S.A. (the “Absorbed Companies”), thus generating the corresponding operating, accounting and tax effects. As a result of the above-mentioned corporate reorganization process, the Absorbed Companies would be dissolved without liquidation and Cablevisión S.A. would assume all the activities, receivables, property and all the rights and obligations of the above-mentioned companies, existing on the Effective Date of the Merger, or any that may exist or arise due to previous or subsequent acts or activities.

At the Extraordinary Shareholders’ Meeting of Cablevisión held on September 27, 2016, the shareholders approved, among other issues: (i) the Special Parent Company Only Financial Statement and the Special Balance Sheet for Merger as of June 30, 2016, which were used as a basis for the execution of the Pre-Merger Commitment, and (ii) the Pre-Merger Commitment executed on August 16, 2016 between Cablevisión and the Absorbed Companies. On April 20, 2017, the IGJ registered the above-mentioned merger process.

In view of the above, Cablevisión made a filing with the ENACOM in order to inform that Agency of the corporate reorganization to be implemented, so that it would consequently register under the name of the absorbing company, the “Area Authorizations” required to exploit Cable Television Services corresponding to Copetonas Video Cable S.A., Dorrego Televisión S.A., Indio Rico Cable Color S.A., Cable Video Sur S.A., and Tres Arroyos Televisora Color S.A. The license for Wolves Televisión S.A. was abandoned because Cablevisión already has an Area Authorization in the jurisdiction where Wolves Televisión S.A. exploited the Cable Television Service. In addition, PRIMA and Cablevisión made a filing with the ENACOM in order to request that Agency to register the license that had been granted to PRIMA in favor of Cablevisión as a consequence of the corporate reorganization process.

In addition, at the Extraordinary Shareholders’ Meeting held on September 27, 2016, the shareholders also unanimously approved: (i) the amendment of Article Three of the Bylaws in order to conform the core business of Cablevisión to the new regulatory framework under Laws Nos. 27,078 and 26,522, and (ii) the amendment of Articles Nine and Ten of the Bylaws in order to eliminate the Executive Committee. Both amendments were registered with the IGJ on December 28, 2016.

On March 16, 2017, the CNV approved the merger of Cablevisión with Copetonas Video Cable S.A., Dorrego Televisión S.A., Fintelco S.A., Indio Rico Cable Color S.A., Prima, Cable Video Sur S.A., Wolves Televisión S.A. and Tres Arroyos Televisora Color S.A.

- c. On March 13, 2017, Grupo Clarín submitted a share acquisition offer to GC Minor, whereby Grupo Clarín sells to GC Minor 4,170,000 shares of CMD representing 1.7633% of the capital stock and votes of that company for Ps. 3,000,000. Ps. 2,000,000 were collected upon acceptance of the offer and the balance of Ps. 1,000,000 will be collected within 180 days as from acceptance of the offer.

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

NOTE 12 - COVENANTS, SURETIES AND GUARANTEES PROVIDED

The following are the main guarantees set up during the period, in addition to those already mentioned in Note 15 to the Company's annual parent company only financial statements as of December 31, 2016.

- a. Grupo Clarín became the guarantor for up to Ps. 17 million to secure certain financial obligations of EPN with Banco Santander Río S.A. effective until June 2017.
- b. Grupo Clarín became the guarantor for up to Ps. 135 million to secure certain financial obligations of AGR with Banco Santander Río S.A. effective until July 2017.
- c. Grupo Clarín became the guarantor for up to Ps. 10 million to secure certain financial obligations of CMD with Banco Ciudad de Buenos Aires effective until March 2018.

NOTE 13 - RESERVES, RETAINED EARNINGS AND DIVIDENDS

a. Grupo Clarín

On April 27, 2017, at the Annual Ordinary Shareholders' Meeting of the Company, the shareholders decided, among other things, to appropriate the net income for the fiscal year 2016, which amounted to Ps. 2,530,041,832, as follows: (i) Ps. 480,000,000 to the distribution of dividends payable within 30 days as from the date of the Shareholders' Meeting, (ii) Ps. 1,000,000,000 to the reserve for future dividends and (iii) Ps. 1,050,041,832 to the creation of an optional reserve to ensure the liquidity of the Company and its subsidiaries.

b. Cablevisión

On March 30, 2017, at the Annual General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión, its shareholders decided to distribute cash dividends in the amount of Ps. 1,600 million, payable in Argentine Pesos or US Dollars, in two installments, the first one to be paid within a term of thirty days as from the date of such Shareholders' Meeting and the second one to be paid on December 31, 2017 or earlier as determined by the Board of Directors, and delegated on the Board of Directors of Cablevisión the power to establish the time and payment method. Of that amount, approximately Ps. 640 million corresponds to the non-controlling interest in this company. In April 2017, Cablevisión canceled Ps. 800 million of distributed dividends.

c. Artear

On April 25, 2017, at the Annual General Ordinary and Extraordinary Shareholders' Meeting, the shareholders of ARTEAR decided to distribute cash dividends in the amount of Ps. 480 million. As of the date of these financial statements, the Company collected Ps. 30 million of the dividends to which it was entitled based on its equity interest.

NOTE 14 - LAW No. 26,831 CAPITAL MARKETS

On December 28, 2012, Capital Markets Law No. 26,831 (the "Capital Markets Law"), passed on November 29, 2012 and enacted on December 27, 2012, was published in the Official Gazette. The Law provides for a comprehensive amendment of the public offering regime, previously governed by Law No. 17,811. Among other things, the new law enhances the National Government's oversight powers and changes the authorization, control and oversight mechanisms of all stages of the public offering process and the role of all the entities and individuals involved. The Law became effective on January 28, 2013.

Signed for identification purposes
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See our report dated
May 11, 2017

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

On July 29, 2013, the National Government issued Decree No. 1023/2013 to regulate partially the Capital Markets Law that had been passed on November 29, 2012. Among other provisions, the Decree regulates Section 20 of said Law, pursuant to which the CNV may appoint an overseer with veto rights over the decisions made by the boards of directors of entities subject to the public offering regime, or otherwise remove the boards from such entities for up to 180 days until all deficiencies found by the CNV are solved. Said Emergency Decree amends the Law it seeks to regulate and, therefore, constitutes a regulatory abuse. Thus, whereas the Law vests on the CNV the power to appoint an overseer or to remove the board of directors, the Decree allows the CNV to exercise that power if the shareholders and/or noteholders with a two percent (2%) interest in the company's capital stock or outstanding debt securities claim that they have suffered actual and certain damages or if they believe their rights may be seriously jeopardized in the future. The Decree also vests on the CNV the power to appoint the administrators or co-administrators that will hold office as a consequence of the removal of the boards of directors. Thus, the Decree amends the Law by granting the CNV powers that were not provided therein. By doing so, the Executive Branch is assuming strictly legislative functions in breach of constitutional provisions.

On September 5, 2013 within the framework of the Capital Markets Law and its Decree, the CNV issued Resolution No. 622/2013 (the "Rules"), whereby it approved the applicable Rules that repeal the Rules that had been effective until that date (as restated in 2001). The new Rules have introduced several changes in connection with CNV's powers over the companies under that agency's oversight, and also in connection with the information that these companies must disclose.

On August 20, 2013, at the request of Mr. Rubén Mario Szwarc, a minority shareholder of the Company, and by means of public deed number two hundred forty-five, the Company was served notice of the decision rendered by Chamber A of the National Court of Appeals on Commercial Matters on August 12, 2013, in re "SZWARC, Rubén Mario v. National Government and Others on Preliminary Injunction" File No. 011419/2013. That Chamber decided, among other things, (i) to declare the unconstitutionality of Sections 2, 4, 5, 9, 10, 11, 13, 15 and 16 of Law No. 26,854, and (ii) to order the provisional, injunctive suspension of Section 20, subsection a), second part, paragraphs I and II (or 1 and 2) of Law No. 26,831 and of all laws, rules or administrative acts issued or that may be issued pursuant to such legal provisions, with respect to Grupo Clarín S.A., until the judge that is finally declared competent to render a decision on the merits assumes full jurisdiction of the case and renders a final decision relating to the injunction.

NOTE 15 - THE COMPANY'S CORPORATE REORGANIZATION PROCESS

On September 28, 2016, at the Company's Extraordinary Shareholders Meeting, the shareholders approved the execution of a corporate reorganization process to be implemented in two successive steps: a) first the merger of Southtel Holdings S.A., Vistone S.A., Compañía Latinoamericana de Cable S.A. and CV B Holding S.A. (the "Absorbed Companies"), through which Grupo Clarín held a controlling interest in Cablevisión (the "Merger"), and, b) the subsequent partial spin-off of the Company to create a new company under the name Cablevisión Holding S.A. (the "Spin-off", and together with the Merger, the "Corporate Reorganization").

The purpose of the Corporate Reorganization is to enhance efficiency, synergy and streamlining of the Company's costs, processes and resources and to promote the specialization of the existing asset portfolio of Grupo Clarín and its subsidiaries. This will allow the Company to implement differentiated growth strategies and goals for, on the one hand, the telecommunications segment, and, on the other hand, the media business (print, TV, programming, radio etc.). Thus, each of those segments will be able to focus on its own markets, risks, organizational processes and capital structures.

As a result of the Merger, and since Grupo Clarín is the direct and indirect holder of 100% of the capital stock of the absorbed companies, Grupo Clarín's capital stock will not be increased. Therefore, it is not necessary to establish an exchange ratio. In addition, the absorbed companies will be dissolved early without liquidation

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

and Grupo Clarín will assume, effective as from October 1, 2016 (the "Effective Date of the Merger"), the activities, receivables, property, rights and obligations of the above-mentioned companies, existing on the Effective Date of the Merger, or any that may exist or arise due to previous or subsequent acts or activities.

As part of the equity subject to the spin-off, as provided under the Merger and Spin-off Prospectus filed with the CNV and published in the Financial Information Highway, the Company will transfer to Cablevisión Holding S.A. certain equity interests or participations held by Grupo Clarín, including the direct and indirect equity interests of Grupo Clarín in Cablevisión and in GCSA Equity, LLC. Consequently, once the Corporate Reorganization has been executed, Cablevisión Holding S.A. will become owner, directly or indirectly, of 60% of the capital stock and votes of Cablevisión and of 100% of the participation of GCSA Equity, LLC. Grupo Clarín will retain and continue with all activities, operations, assets and liabilities that are not specifically allocated to Cablevisión Holding S.A.

The Corporate Reorganization Transaction was registered with the IGJ on April 27, 2017. In view of the above and taking into consideration that, under the terms of the spin-off, the effective date of the Spin-off (the "Effective Date of the Spin-off") would be the first day of the month following the date on which the latest of the following registrations has been completed: (i) the registration of the Corporate Reorganization with the IGJ, or (ii) the registration of the incorporation of Cablevisión Holding S.A. with the IGJ, the Effective Date of the Spin-off is May 1, 2017. As from this date, Cablevisión Holding S.A. began activities on its own, and the accounting and tax effects of the Spin-off became effective, and the Company transferred to Cablevisión Holding S.A. the operations, risks and benefits described in the Exhibit to the Prospectus published by the Company as well as the assets and liabilities that make up the "Equity Subsequently Allocated" as decided by the Company's Board of Directors on April 28, 2017, pursuant to the powers delegated by the Extraordinary Shareholders' Meeting held on September 28, 2016.

As a result of the Spin-off of Grupo Clarín, its equity is reduced pro rata and part of the Company's Class A, Class B and Class C shares will be canceled in exchange for a set of shares of the same class and with substantially the same rights to be distributed by Cablevisión Holding S.A. Grupo Clarín will continue to be subject to the public offering regime in Argentina. Cablevisión Holding S.A. has requested authorization to be admitted to the above-mentioned public offering regime in Argentina. Cablevisión Holding S.A. may also apply to have its shares listed on and admitted to trading on one or more local or foreign stock exchanges and/or markets.

The Corporate Reorganization detailed in this note is executed in compliance with applicable regulations of the General Associations Law and subject to obtaining the regulatory authorizations and/or intervention (as applicable) from the CNV, Merval, IGJ and Ente Nacional de Comunicaciones (National Communications Agency "ENACOM").

The terms and conditions of the Corporate Reorganization were established by the Directors of the Company, who approved the Special Parent Company Only Financial Statement of Grupo Clarín as of June 30, 2016, the Special Balance Sheet for Merger and Spin-off as of the same date and the Merger -and Spin-off Prospectus at the Board of Directors' Meeting held on August 16, 2016.

NOTE 16 - CAPITAL STOCK STRUCTURE

Upon the Company's public offering during 2007, the capital stock amounted to Ps. 287,418,584, represented by:

- 75.980.304 Class A common, registered, non-endorsable shares, with nominal value of Ps. 1 each and entitled to 5 votes per share.

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with the report dated May 11, 2017

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See our report dated
May 11, 2017
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(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

- 186,281,411 Class B book-entry common shares, with nominal value of Ps. 1 each and entitled to 1 vote per share.
- 25,156,869 Class C common, registered, non-endorsable shares, with nominal value of Ps. 1 each and entitled to 1 vote per share.

On October 5 and 11, 2007, the CNV and BCBA, respectively, granted authorization for the Company's admission to the initial public offering of its capital stock, having authorized the Company to consider, (i) the public offering of its Class B book-entry common shares; (ii) the listing of its Class B book-entry common shares; and (iii) the listing of its registered non-endorsable Class C common shares, trading of which was suspended due to restrictions on transfers set forth by the Bylaws. Also in the last quarter of 2007, the Company was granted authorization for the listing of its GDSs in the LSE. Each GDS represents two of the Company's Class B common shares.

As mentioned in Note 15, on April 27, 2017, the IGJ registered the Corporate Reorganization Transaction mentioned in that note and, therefore, the equity of the Company has been reduced, effective as of the Effective Date of the Spin-off, to Ps. 106,776,004, represented by:

- 28,226,683 Class A common, registered, non-endorsable shares, with nominal value of Ps. 1 each and entitled to 5 votes per share.
- 69,203,544 Class B book-entry common shares, with nominal value of Ps. 1 each and entitled to 1 vote per share.
- 9,345,777 Class C common, registered, non-endorsable shares, with nominal value of Ps. 1 each and entitled to 1 vote per share.

NOTE 17 – INFORMATION REQUIRED UNDER CNV RESOLUTION No. 629 – RECORD KEEPING

On August 14, 2014, the Argentine Securities Commission issued General Resolution No. 629, which provides for record keeping regulations.

The Company keeps certain supporting documentation related to the record of its operations and economic-financial events at GCGC located at Patagones 2550, City of Buenos Aires, and at the warehouse located at Ruta 36 Km 31.500, Florencio Varela, of the supplier AdeA - Administración de Archivos S.A., during the periods established by effective laws.

NOTE 18 – SUBSEQUENT EVENTS

- a. The events relating to the regulatory framework applicable to the Company and its subsidiaries that occurred subsequent to the closing of this period are described under Note 9.
- b. As mentioned in Note 21.b. to the parent company only consolidated financial statements, as of December 31, 2016, on April 7, 2017 AGR's printing facilities located in the neighborhood of Pompeya were evicted under a court order. The eviction was carried out peacefully and with the intervention of the Police Department of the City of Buenos Aires.

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with the report dated May 11, 2017

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

NOTE 19 - APPROVAL OF THE INTERIM CONDENSED PARENT COMPANY ONLY FINANCIAL STATEMENTS

The Board of Directors has approved the interim condensed parent company only financial statements and authorized their issuance for May 11, 2017.

Signed for identification purposes
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May 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

ADDITIONAL INFORMATION TO THE NOTES TO THE FINANCIAL STATEMENTS
SECTION No. 12 TITLE IV CHAPTER III OF GENERAL RESOLUTION No. 622/13 OF THE
ARGENTINE SECURITIES COMMISSION BALANCE SHEET AS OF MARCH 31, 2017

- 1) There are no specific material regulatory regimes currently applicable to the Company that may entail the contingent loss or acquisition of legal benefits.
- 2) Note 15 to the parent company only financial statements describes the Company's current merger-spin-off process, whereby the Company will merge with certain of its current subsidiaries and will subsequently spin off to a new company its direct and indirect interest in Cablevisión.
- 3) The classification of receivables and liabilities by maturity is detailed in Note 7 to the parent company only financial statements.
- 4) The classification of receivables and liabilities according to their related financial effects is detailed in Note 7 to the parent company only financial statements.
- 5) Equity interest under Section 33 of Law No. 19,550 is detailed in Note 4.3 of the parent company only financial statements. Accounts receivable from and payable to related parties are disclosed under Note 6 to the parent company only financial statements. The following table summarizes the breakdown of such accounts payable and receivable as per the above points 3) and 4

	Receivables		Liabilities	
Without any established term	150,454,625	(1)	3,858,149	(1)
Due				
Within three months	276,645,221	(2)	-	
More than three months and up to six months	1,000,000	(1)	-	
More than six months and up to nine months	274,713,333	(1)	-	
More than four years and up to five years	-		361,912,505	(3)
Total	<u>702,813,179</u>		<u>365,770,654</u>	

(1) Balances are denominated in local currency and do not accrue any interest.

(2) The balances are stated in local currency and include Ps. 1,813,097 which bear interest at a fixed rate, the remaining balance does not bear interest.

(3) It includes USD 23,516,082 and accrues interest at a fixed rate. As of March 31, 2017, they are disclosed under the item liabilities held for distribution to shareholders.

- 6) There are no trade receivables or loans to directors, members of the Supervisory Committee and their relatives up to, and including, the second degree of kinship and no such trade receivables or loans existed during the period.
- 7) The Company does not have any inventories.
- 8) The Company has used current values for the valuation of assets and liabilities acquired from Cablevisión, taking into account, mainly, the following criteria:
 - Subscriber portfolio: valued based on, among other things, an analysis of the acquired subscriber portfolio's cash flow generation, considering the subscriber turnover of such portfolio, discounted at a market rate.
 - Financial debt: since the acquired companies were not listed at the time of the acquisition, the financial debt was valued based on cash flow discounted at a market rate.
 - Fixed assets: valued based on internal estimates made by the subsidiaries according to available information (kilometers and technical characteristics of the network, replacement value per kilometer

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with the report dated May 11, 2017

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May 11, 2017

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

JORGE CARLOS RENDO
Chairman

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

and type of network based on business knowledge and purchase price of the resources needed, state of the network at the time of acquisition, real estate appraisals of the most significant real property, among others).

Similarly, the Company has recorded the net acquired assets of CIMECO at fair value.

- 9) The Company does not have any property, plant and equipment subject to appraisal write-up.
- 10) The Company does not have any obsolete property, plant and equipment.
- 11) The Company is not subject to the restrictions under section 31 of Law No. 19,550, since its main corporate purposes are investment and finance.
- 12) The Company assesses the recoverable value of its long-term investments each time it prepares its financial statements. In the case of investments for which the Company does not book goodwill with an indefinite useful life, it assesses their recoverable value when there is any indication of impairment. In the case of investments for which the Company books goodwill with an indefinite useful life, it assesses their recoverable value by comparing the book value with cash flows discounted at the corresponding discount rate, considering the weighted average capital cost, and taking into consideration the projected performance of the main operating variables of the respective companies.
- 13) As of March 31, 2017, the Company does not have any relevant tangible property, plant and equipment requiring efficient insurance coverage.
- 14) Booked provisions for contingencies do not exceed, either individually or as a whole, two percent (2%) of the Company's shareholders' equity.
- 15) As of the date of these financial statements, the Company does not have any contingent situations, the financial effects of which, if any, have not been booked (see Notes 8 and 9 to the parent company only financial statements).
- 16) The Company does not have any irrevocable contributions on account of future share subscriptions.
- 17) The Company does not have any unpaid cumulative dividends on preferred shares
- 18) In Notes 8.2.a. and 13.a. to the interim condensed parent company only financial statements reference is made to the treatment given to retained earnings.

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See our report dated
May 11, 2017

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

JORGE CARLOS RENDO
Chairman

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

GRUPO CLARÍN S.A.

RATIFICATION OF PRINTED SIGNATURES

We hereby ratify our signatures appearing in printed form on the preceding sheets from page 1 to 32 in Grupo Clarín S.A.'s interim condensed parent company only financial statements for the three-month period ended March 31, 2017.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

CARLOS ALBERTO PEDRO DI CANDIA
Supervisory Committee

C.P.C.E.C.A.B.A. Vol. 1 Fol. 17
Dr. Carlos A. Pace
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 150 Fol. 106

JORGE CARLOS RENDO
Chairman

Signed for identification purposes
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

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