



GRUPO CLARÍN S.A.

Interim Condensed Consolidated Financial Statements

for the six-month period ended June 30, 2016,
presented on a comparative basis.

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

GRUPO CLARÍN S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2016 AND FOR THE SIX-MONTH PERIOD BEGINNING JANUARY 1, 2016 AND ENDED JUNE 30, 2016 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.
FACPCE	<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, 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.
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.

Signed for identification purposes
with the report dated August 10, 2016

See our report dated
August 10, 2016
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

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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	<i>Secretaría de Medios de Comunicación</i> (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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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: October 10, 2007

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

Type	Number of votes per share	Subscribed, registered and paid-in capital
Class "A" Common shares, Ps.1 par value	5	75,980,304
Class "B" Common shares, Ps.1 par value	1	186,281,411
Class "C" Common shares, Ps.1 par value	1	25,156,869
Total as of June 30, 2016		<u>287,418,584</u>
Total as of December 31, 2015		<u>287,418,584</u>

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

JORGE CARLOS RENDO
Chairman

GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015,
AND FOR THE THREE-MONTH PERIODS BEGINNING ON APRIL 1 AND
ENDED ON JUNE 30, 2016 AND 2015
In Argentine Pesos (Ps.)

	Notes	June 30, 2016	June 30, 2015	April 1, 2016 through June 30, 2016	April 1, 2015 through June 30, 2015
Revenues	5.1	18,724,346,000	12,555,569,583	9,738,724,889	6,586,042,764
Cost of Sales (1)	5.2	(9,269,796,980)	(6,285,625,367)	(4,886,640,113)	(3,320,493,207)
Subtotal - Gross Profit		9,454,549,020	6,269,944,216	4,852,084,776	3,265,549,557
Selling Expenses (1)	5.3	(2,661,602,509)	(1,587,875,488)	(1,348,576,872)	(831,980,394)
Administrative Expenses (1)	5.3	(2,299,199,994)	(1,548,397,097)	(1,259,427,220)	(836,467,263)
Other Income and Expense, net		15,400,565	8,344,669	7,400,581	7,964,912
Financial Costs	5.4	(1,826,129,466)	(624,065,676)	(653,479,001)	(334,858,535)
Other Financial Results, net	5.5	259,694,604	(90,034,652)	(140,828,770)	1,111,283
Financial Results		(1,566,434,862)	(714,100,328)	(794,307,771)	(333,747,252)
Income from Acquisition of Companies		114,093,096	-	-	-
Equity in Earnings from Affiliates and Subsidiaries		74,088,951	53,143,888	17,940,247	16,286,794
Income before Income Tax and Tax on Assets		3,130,894,267	2,481,059,860	1,475,113,741	1,287,606,354
Income Tax and Tax on Assets		(1,068,001,904)	(803,997,958)	(525,391,674)	(410,860,418)
Income for the period		2,062,892,363	1,677,061,902	949,722,067	876,745,936
Other Comprehensive Income					
Items which may be reclassified to net income					
Variation in Translation Differences of Foreign Operations		61,433,014	(219,898,921)	12,105,633	(20,810,169)
Other Comprehensive Income for the period		61,433,014	(219,898,921)	12,105,633	(20,810,169)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,124,325,377	1,457,162,981	961,827,700	855,935,767
Profit Attributable to:					
Shareholders of the Parent Company		1,227,753,295	1,034,343,289	595,043,467	565,103,591
Non-Controlling Interests		835,139,068	642,718,613	354,678,600	311,642,345
Total Comprehensive Income Attributable to:					
Shareholders of the Parent Company		1,277,202,305	927,979,029	602,739,301	549,538,291
Non-Controlling Interests		847,123,072	529,183,952	359,088,399	306,397,476
Basic and Diluted Earnings per Share from Continuing Operations		4.27	3.60	2.07	1.97
Basic and Diluted Earnings per Share - Total		4.27	3.60	2.07	1.97

(1) Includes amortization of intangible assets and film library, and depreciation of property, plant and equipment in the amount of Ps. 1,227,779,272 and Ps. 829,497,022 for the six-month periods ended June 30, 2016 and 2015, respectively.

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

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JORGE CARLOS RENDO
Chairman

GRUPO CLARÍN S.A.
CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2016 AND DECEMBER 31, 2015
 In Argentine Pesos (Ps.)

	Notes	June 30, 2016	December 31, 2015
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5.6	12,374,980,095	9,026,866,357
Intangible Assets	5.7	267,221,040	258,146,566
Goodwill	5.8	4,877,401,321	2,907,928,844
Deferred Tax Assets		679,382,982	374,890,670
Investments in unconsolidated affiliates	5.9	596,745,957	1,721,354,821
Other Investments	5.10	573,448,913	458,789,781
Inventories		28,197,220	23,626,229
Other Assets		2,948,300	2,627,301
Other Receivables	5.11	417,004,370	1,389,317,682
Trade Receivables	5.12	89,536,430	82,905,052
Total Non-Current Assets		19,906,866,628	16,246,453,303
CURRENT ASSETS			
Inventories		956,228,709	490,692,852
Other Assets		9,237,648	11,456,124
Other Receivables	5.11	1,230,844,980	949,442,104
Trade Receivables	5.12	4,791,325,658	3,790,626,735
Other Investments	5.10	3,032,154,173	1,186,552,013
Cash and Banks		1,906,667,689	2,025,780,934
Total Current Assets		11,926,458,857	8,454,550,762
Total Assets		31,833,325,485	24,701,004,065
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		641,692,648	592,243,638
Retained Earnings		5,557,821,827	4,630,068,532
Total Attributable to Shareholders of the Parent Company		8,210,152,978	7,232,950,673
Attributable to Non-Controlling Interests		3,408,381,053	3,175,288,997
Total Shareholders' Equity		11,618,534,031	10,408,239,670
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions and Other	5.13	910,585,129	432,475,314
Debt	5.14	8,392,956,450	4,033,351,896
Taxes Payable		78,435,162	90,524,218
Other Liabilities		132,020,688	142,185,237
Trade Payables and Other	5.15	21,509,446	19,557,018
Total Non-Current Liabilities		9,535,506,875	4,718,093,683
CURRENT LIABILITIES			
Debt	5.14	2,533,782,720	2,901,737,366
Seller Financings		149,526,159	1,874,191
Taxes Payable		1,292,184,492	1,152,994,701
Other Liabilities		1,128,438,656	465,161,856
Trade Payables and Other	5.15	5,575,352,552	5,052,902,598
Total Current Liabilities		10,679,284,579	9,574,670,712
Total Liabilities		20,214,791,454	14,292,764,395
Total Equity and Liabilities		31,833,325,485	24,701,004,065

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GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
In Argentine Pesos (Ps.)

Equity attributable to Shareholders of the Parent Company

	Shareholders' Contributions				Other items		Retained Earnings			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)	Accumulated Results			
Balances as of January 1 st , 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
Set-up of reserves (Note 10.a.)	-	-	-	-	-	-	-	1,584,929,369	(1,584,929,369)	-	-	-
Dividend Distribution (Note 10.a.)	-	-	-	-	-	-	-	-	(300,000,000)	(300,000,000)	-	(300,000,000)
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(614,031,016)	(614,031,016)
Income for the period	-	-	-	-	-	-	-	-	1,227,753,295	1,227,753,295	835,139,068	2,062,892,363
Other Comprehensive Income:												
Variation in Translation Differences of Foreign Operations	-	-	-	-	49,449,010	-	-	-	-	49,449,010	11,984,004	61,433,014
Balances as of June 30, 2016	287,418,584	309,885,253	1,413,334,666	2,010,638,503	645,346,415	(3,653,767)	119,460,767	4,210,607,765	1,227,753,295	8,210,152,978	3,408,381,053	11,618,534,031
Balances as of January 1 st , 2015	287,418,584	309,885,253	1,413,334,666	2,010,638,503	477,454,394	(209,686)	119,460,767	2,071,576,709	804,101,687	5,483,022,374	2,282,464,286	7,765,486,660
Set-up of reserves	-	-	-	-	-	-	-	554,101,687	(554,101,687)	-	-	-
Dividend Distribution	-	-	-	-	-	-	-	-	(250,000,000)	(250,000,000)	-	(250,000,000)
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(188,750,023)	(188,750,023)
Income for the period	-	-	-	-	-	-	-	-	1,034,343,289	1,034,343,289	642,718,613	1,677,061,902
Other Comprehensive Income:												
Variation in Translation Differences of Foreign Operations	-	-	-	-	(106,364,260)	-	-	-	-	(106,364,260)	(113,534,661)	(219,898,921)
Balances as of June 30, 2015	287,418,584	309,885,253	1,413,334,666	2,010,638,503	371,090,134	(209,686)	119,460,767	2,625,678,396	1,034,343,289	6,161,001,403	2,622,898,215	8,783,899,618

⁽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 consolidated financial statements.

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Registration number with the IGJ: 1,669,733

GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
In Argentine Pesos (Ps.)

	June 30, 2016	June 30, 2015
CASH PROVIDED BY OPERATING ACTIVITIES		
Income for the period	2,062,892,363	1,677,061,902
Income Tax and Tax on Assets	1,068,001,904	803,997,958
Accrued Interest, net	260,115,777	243,407,797
Adjustments to reconcile net income for the period to cash provided by operating activities:		
Depreciation of Property, Plant and Equipment	1,124,193,218	743,870,156
Amortization of Intangible Assets and Film Library	103,586,054	85,626,866
Net of allowances	282,743,464	166,944,261
Financial Income, except interest	733,044,167	58,996,747
Equity in Earnings from Affiliates and Subsidiaries	(74,088,951)	(53,143,888)
Income from Acquisition of Associates	(114,093,096)	-
Other Income and Expense	(5,287,405)	(7,477,222)
Changes in Assets and Liabilities:		
Trade Receivables	(816,526,800)	(467,603,969)
Other Receivables	(704,421,210)	(433,427,684)
Inventories	(253,438,535)	(90,224,430)
Other Assets	1,897,477	1,260,881
Trade Payables and Other	(2,179,188)	498,886,115
Taxes Payable	(311,853,153)	(22,690,878)
Other Liabilities	483,111,695	57,588,009
Provisions	(43,106,340)	(27,874,652)
Income Tax and Tax on Assets Payments	(712,081,134)	(622,559,369)
Net Cash Flows Provided by Operating Activities	<u>3,082,510,307</u>	<u>2,612,638,600</u>
CASH PROVIDED BY INVESTMENT ACTIVITIES		
Acquisition of Property, Plant and Equipment, net	(3,745,995,187)	(1,526,770,093)
Acquisition of Intangible Assets	(64,715,964)	(24,856,380)
Acquisition of Subsidiaries, Net of Cash Acquired	(1,889,331,621)	(31,252)
Proceeds from Sale of Property, Plant and Equipment and other	26,198,896	14,088,186
Dividends collected	1,621,157	23,409,125
Setup of Certificates of Deposit	204,447,415	(189,728,123)
Collections of Interest	50,547,297	321,288
Collections of Certificates of Deposit	10,417,602	163,850,951
Net Cash Flows used in Investment Activities	<u>(5,406,810,405)</u>	<u>(1,539,716,298)</u>
CASH PROVIDED BY FINANCING ACTIVITIES		
Loans	7,939,320,504	1,026,390,187
Repayment of Loans and Issue Expenses	(4,933,765,638)	(387,222,820)
Payment of Interest	(656,036,653)	(322,426,674)
Collections (Settlement) on Derivatives	25,401,250	(5,120,500)
Payment of Dividends	(300,000,000)	(125,000,000)
Payments to Non-Controlling Interests, net	(614,656,831)	(184,587,629)
Net Cash Flows provided by Financing Activities	<u>1,460,262,632</u>	<u>2,032,564</u>
FINANCING RESULTS GENERATED BY CASH AND CASH EQUIVALENTS	<u>697,368,904</u>	<u>261,999,860</u>
(Decrease) / Increase in cash flow, net	(166,668,562)	1,336,954,726
Cash and Cash Equivalents at the Beginning of the Year	2,705,563,078	1,744,978,426
Cash and Cash Equivalents from Acquisition of Companies	2,052,951,267	-
Cash and Cash Equivalents at the End of the Period	<u>4,591,845,783</u>	<u>3,081,933,152</u>

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INDEX OF THE NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Signed for identification purposes
with the report dated August 10, 2016

See our report dated
August 10, 2016
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.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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, 2015 details the business segments in which Grupo Clarín is engaged through its subsidiaries.

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

2.1 Basis for the preparation of these financial statements

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 ("TF") 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 six-month period ended June 30, 2016, 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, 2016. 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.

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.

These interim condensed consolidated financial statements should be read together with the Company's annual financial statements as of December 31, 2015 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, 2015.

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GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

The attached consolidated information, approved by the Board of Directors at the meeting held on August 10, 2016, 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 June 30, 2016:

- 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.

2.3 Basis for Consolidation

Note 2.4 to the Company's annual consolidated financial statements as of December 31, 2015 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, which do not differ from those included in 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>June 30, 2016</u>	<u>June 30, 2015</u>
Cash and Banks	1,906,667,689	1,712,120,141
Short-Term Investments	2,685,178,094	1,369,813,011
Cash and Cash Equivalents	<u>4,591,845,783</u>	<u>3,081,933,152</u>

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In the six-month periods ended June 30, 2016 and 2015, the following significant transactions were carried out, which did not have an impact on cash and cash equivalents:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Dividends collected through debt settlement	17,000,000	19,000,000

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, 2015, which are disclosed in Note 3 to such annual consolidated financial statements.

NOTE 4 – SEGMENT INFORMATION

Note 4 to the annual consolidated financial statements as of December 31, 2015 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.

As from this period and as mentioned in Note 11.a. to these interim condensed consolidated financial statements, the segment "Cable Television, Internet Access and Telephony Services" includes the IDEN telephony services rendered by Nextel, a subsidiary of Cablevisión.

The following tables include the information for the six-month periods ended June 30, 2016 and 2015, prepared on the basis of IFRS, for the business segments identified by the Company.

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Information arising from consolidated income statements as of June 30, 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⁾	14,297,634,103	2,418,308,157	1,774,883,369	300,448,085	-	(66,927,714)	18,724,346,000
Intersegment Sales	11,965,677	190,420,174	139,918,497	223,257,275	(565,561,623)	-	-
Net Sales	14,309,599,780	2,608,728,331	1,914,801,866	523,705,360	(565,561,623)	(66,927,714)	18,724,346,000
Cost of sales (excluding depreciation and amortization)	(5,324,453,860)	(1,557,607,841)	(1,100,607,342)	(297,410,042)	258,402,550	(130,729,260)	(8,152,405,795)
Subtotal	8,985,145,920	1,051,120,490	814,194,524	226,295,318	(307,159,073)	(197,656,974)	10,571,940,205
Expenses - excluding depreciation and amortization							
Selling Expenses	(1,863,304,164)	(617,790,967)	(120,556,691)	(75,473,670)	88,906,057	-	(2,588,219,435)
Administrative Expenses	(1,584,853,749)	(437,236,173)	(288,020,110)	(170,337,965)	218,253,016	-	(2,262,194,981)
Adjusted EBITDA	5,536,988,007	(3,906,650)	405,617,723	(19,516,317)	-	(197,656,974)	5,721,525,789
Depreciation of Property, Plant and Equipment							(1,124,193,218)
Amortization of Intangible Assets and Film Library ⁽⁴⁾							(103,586,054)
Other Income and Expense, net							15,400,565
Financial Costs							(1,826,129,466)
Other Financial Results, net							259,694,604
Financial Results							(1,566,434,862)
Income from Acquisition of Companies							114,093,096
Equity in Earnings from Affiliates and Subsidiaries							74,088,951
Income Tax and Tax on Assets							(1,068,001,904)
Income for the period							<u>2,062,892,363</u>
Additional consolidated information as of June 30, 2016							
Acquisition of Property, Plant and Equipment	3,619,792,853	45,323,273	73,288,638	7,590,423	-	-	3,745,995,187
Acquisition of Intangible Assets	21,260,435	32,292,838	4,485,114	6,677,577	-	-	64,715,964

(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 and the non-consolidation of special purpose entities, 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 June 30, 2015	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⁾	9,214,879,430	1,820,845,966	1,353,529,744	160,744,201	-	5,570,242	12,555,569,583
Intersegment Sales	11,217,247	150,987,696	119,985,150	177,079,290	(459,269,383)	-	-
Net Sales	9,226,096,677	1,971,833,662	1,473,514,894	337,823,491	(459,269,383)	5,570,242	12,555,569,583
Cost of sales (excluding depreciation and amortization)	(3,430,158,561)	(1,133,554,630)	(863,912,371)	(169,729,043)	191,667,309	(113,483,422)	(5,519,170,718)
Subtotal	5,795,938,116	838,279,032	609,602,523	168,094,448	(267,602,074)	(107,913,180)	7,036,398,865
Expenses - excluding depreciation and amortization							
Selling Expenses	(1,055,039,233)	(451,754,338)	(92,465,480)	(50,162,467)	99,640,794	-	(1,549,780,724)
Administrative Expenses	(1,031,345,469)	(344,236,034)	(196,412,351)	(119,416,914)	167,961,280	-	(1,523,449,488)
Adjusted EBITDA	3,709,553,414	42,288,660	320,724,692	(1,484,933)	-	(107,913,180)	3,963,168,653
Depreciation of Property, Plant and Equipment							(743,870,156)
Amortization of Intangible Assets and Film Library ⁽⁴⁾							(85,626,866)
Other Income and Expense, net							8,344,669
Financial Costs							(624,065,676)
Other Financial Results, net							(90,034,652)
Financial Results							(714,100,328)
Income from Acquisition of Companies							
Equity in Earnings from Affiliates and Subsidiaries							53,143,888
Income Tax and Tax on Assets							(803,997,958)
Income for the period							<u>1,677,061,902</u>
Additional consolidated information as of June 30, 2015							
Acquisition of Property, Plant and Equipment	1,474,573,411	21,642,912	28,926,947	1,626,823	-	-	1,526,770,093
Acquisition of Intangible Assets	178,137	17,830,924	5,160,286	1,687,033	-	-	24,856,380

(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 and the non-consolidation of special purpose entities and income/loss from discontinued operations.

(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**

	June 30, 2016	June 30, 2015
Sales of Cable TV Subscriptions	8,801,897,174	6,733,734,180
Advertising Sales	2,260,711,906	1,908,490,127
Sales of Internet Subscriptions	3,325,069,784	2,129,783,707
Circulation Sales	1,279,127,543	947,286,560
Printing Services Sales	152,083,257	138,570,301
TV Signals Sales	251,766,450	97,171,798
IDEN Telephony Services Sales	1,536,925,633	-
Other Sales	1,116,764,253	600,532,910
Total	18,724,346,000	12,555,569,583

5.2. - Cost of Sales

	June 30, 2016	June 30, 2015
Inventories at the beginning of the year	517,702,414	301,223,085
Incorporation of Balances from Consolidation of Acquired Companies	222,227,387	-
Purchases for the year	1,233,851,788	609,671,649
Production and Services Expenses (Note 5.3)	8,289,331,244	5,764,436,894
Less: Inventories at period-end	(993,315,853)	(389,706,261)
Cost of Sales	9,269,796,980	6,285,625,367

5.3 - Production and Services, Selling and Administrative Expenses

Item	Production and Services Expenses	Selling Expenses	Administrative Expenses	Total as of June 30, 2016	Total as of June 30, 2015
Fees for Services	237,415,960	148,426,119	604,955,406	990,797,485	580,303,109
Salaries, Social Security and Benefits to Personnel ⁽¹⁾	2,594,510,246	604,201,708	797,402,280	3,996,114,234	3,246,009,405
Advertising and Promotion Expenses	-	361,761,776	625,422	362,387,198	267,524,617
Taxes, Duties and Contributions	330,215,696	752,057,887	28,657,620	1,110,931,203	661,378,319
Bad Debts	-	178,727,617	-	178,727,617	120,164,990
Travel Expenses	64,559,619	36,746,300	18,503,366	119,809,285	79,113,666
Maintenance Expenses	876,369,896	71,394,063	240,618,141	1,188,382,100	518,757,920
Distribution Expenses	38,500,386	219,512,239	-	258,012,625	182,070,762
Communication Expenses	8,993,920	8,166,990	4,633,754	21,794,664	15,869,145
Contingencies	24,089,427	32,634,873	38,415,708	95,140,008	46,721,455
Stationery and Office Supplies	5,414,322	2,426,362	21,237,272	29,077,956	22,831,640
Commissions	-	64,057,454	358,869,072	422,926,526	266,764,330
Productions and Co-Productions	173,601,089	-	-	173,601,089	149,001,491
Printing Expenses	128,285,757	-	-	128,285,757	85,517,784
Rights	1,773,196,026	-	-	1,773,196,026	1,257,296,271
Services and Satellites	372,840,843	830,326	21,774,540	395,445,709	162,744,949
Severance Payments	69,742,260	35,103,073	51,344,150	156,189,483	51,842,469
Non-Computable VAT	21,175,508	-	-	21,175,508	16,043,264
Rentals	278,549,528	24,480,489	34,310,169	337,340,186	175,967,974
Amortization of Intangible Assets	83,884,055	10,082,087	7,843,707	101,809,849	83,890,250
Amortization of Film Library	1,776,205	-	-	1,776,205	1,736,616
Depreciation of Property, Plant and Equipment	1,031,730,925	63,300,987	29,161,306	1,124,193,218	743,870,156
Impairment of Inventories and Obsolescence of Materials	8,875,839	-	-	8,875,839	57,816
Other Expenses	165,603,737	47,692,159	40,848,081	254,143,977	165,231,081
Total as of June 30, 2016	8,289,331,244	2,661,602,509	2,299,199,994	13,250,133,747	
Total as of June 30, 2015	5,764,436,894	1,587,875,488	1,548,397,097		8,900,709,479

(1) As of June 30, 2016, it includes a recovery of approximately Ps. 520 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., 8.3.i and 8.3.j to the Company's consolidated financial statements as of December 31, 2015.

Signed for identification purposes
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See our report dated
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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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5.4 - Financial Costs

	June 30, 2016	June 30, 2015
Financial Discounts on Liabilities	(39,766,851)	(6,955,708)
Interest	(460,113,741)	(358,499,995)
Exchange Differences	(1,211,580,235)	(243,887,699)
Other Financial Costs	(114,668,639)	(14,722,274)
Total	(1,826,129,466)	(624,065,676)

5.5 – Other Financial Results, net

	June 30, 2016	June 30, 2015
Exchange Differences	355,865,745	189,323,969
Interest	199,997,962	115,092,198
Financial Discounts on Assets and Liabilities	4,162,287	4,889,835
Other Taxes and Expenses	(314,467,640)	(160,365,749)
Results from transactions with securities and bonds	(13,838,185)	(234,800,946)
CER Restatement	(129,960)	(929,059)
Income from Changes in the Fair Value of Financial Instruments	28,104,395	(3,244,900)
Total	259,694,604	(90,034,652)

5.6 - Property, Plant and Equipment

Main Account	Residual Value as of June 30, 2016	Residual Value as of December 31, 2015
Real Property	640,373,218	402,141,835
Furniture and Fixtures	29,719,007	25,577,743
Telecommunication, Audio and Video Equipment	392,773,133	44,581,228
External Network and Broadcasting Equipment	5,360,477,039	4,859,085,712
Computer Equipment	544,050,708	373,162,262
Technical Equipment	33,983,691	34,587,549
Workshop Machinery	55,994,608	82,446,103
Tools	35,152,675	32,311,108
Spare Parts	18,375,022	14,098,975
Installations	125,097,403	84,612,518
Vehicles	157,037,262	160,424,243
Plots	462,442	494,099
Materials in Warehouse	2,916,317,470	1,615,863,948
Works-In-Progress	2,062,603,550	1,303,616,022
Leasehold Improvements	25,175,215	16,564,636
Subtotal	12,397,592,443	9,049,567,981
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	(22,612,348)	(22,701,624)
	12,374,980,095	9,026,866,357

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The following table details the changes in property, plant and equipment for the six-month period ended June 30, 2016 and the same period of the previous year:

	2016	2015
Balances as of January 1 st	9,026,866,357	6,370,192,626
Incorporation of Balances from Consolidation of Acquired Companies	692,994,669	-
Additions	3,986,745,399	1,667,566,907
Retirements	(190,142,421)	(144,544,200)
Transfers and other movements	(17,290,691)	(49,659,442)
Depreciation	(1,124,193,218)	(1) (742,181,567)
Balances as of June 30	12,374,980,095	7,101,374,324

(1) Does not include Ps. 1.7 million corresponding to depreciation included as of June 30, 2015 under income/loss from discontinued operations.

Out of the additions for the period, approximately 83% comprise external network and broadcasting equipment, and other materials and equipment.

5.7 - Intangible Assets

Main Account	Residual Value as of June 30, 2016	Residual Value as of December 31, 2015
Exploitation Rights and Licenses	42,915,404	7,510,886
Exclusivity Agreements	4,408,861	4,927,248
Other Rights	869,196	1,189,639
Acquisition Value of Subscriber Portfolio	24,359,004	76,605,540
Software	137,454,268	125,292,855
Trademarks and Patents	6,504,584	6,601,801
Projects in-Progress	28,383,139	5,793,094
Other	22,326,584	30,225,503
	<u>267,221,040</u>	<u>258,146,566</u>

The following table details the changes in intangible assets for the six-month period ended June 30, 2016 and the equivalent period of the previous year:

	2016	2015
Balances as of January 1 st	258,146,566	330,614,131
Additions	66,480,230	24,871,805
Incorporation of Balances from Consolidation of Acquired Companies	46,257,723	-
Retirements	(2,669,018)	(822,679)
Transfers and other movements	815,388	214,139
Amortization	(101,809,849)	(1) (83,505,704)
Balances as of June 30	267,221,040	271,371,692

(1) Does not include Ps. 0.4 million corresponding to amortization included as of June 30, 2015 under income/loss from discontinued operations.

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5.8 – Goodwill

Main Account	Residual Value	Allowance for Goodwill impairment	Net balances as of June 30, 2016	Net balances as of December 31, 2015
Cablevisión and subsidiaries ⁽¹⁾	3,237,126,503	(594,075,234)	2,643,051,269	2,615,659,205
Nextel Businesses	1,961,140,188	-	1,961,140,188	-
PRIMA	2,272,319	-	2,272,319	2,272,319
CIMECO and related companies	235,982,248	(54,637,313)	181,344,935	181,344,935
Cúspide and subsidiaries	19,059,775	(19,059,775)	-	19,059,775
Grupo Carburando	12,053,573	(12,053,573)	-	-
Telecor	39,173,062	-	39,173,062	39,173,062
Pol-Ka	16,130,769	(6,850,727)	9,280,042	9,280,042
Telba	3,774,071	-	3,774,071	3,774,071
Bariloche TV	1,844,621	-	1,844,621	1,844,621
Other	41,576,944	(6,056,130)	35,520,814	35,520,814
Total	5,570,134,073	(692,732,752)	4,877,401,321	2,907,928,844

⁽¹⁾ Includes goodwill of Multicanal and Teledigital, merged into Cablevisión.

5.9 – Investment in Unconsolidated Affiliates

	Main business activity	Country	Interest (%) ⁽¹⁾	Value Recorded as of June 30, 2016	Value Recorded as of December 31, 2015
<u>Included in assets</u>					
<u>Interest in Associates</u>					
NEXTEL	Telecommunication Services	Argentina	49.00 ⁽²⁾	-	1,201,022,798
Papel Prensa	Manufacturing of Newsprint	Argentina	49.00	185,970,928	184,597,852
Ver TV S.A.	Cable Television Station	Argentina	49.00	143,031,838	102,895,887
TPO	Closed-Circuit Television	Argentina	47.00	10,822,223	10,822,223
TATC	Cable Television Station	Argentina	49.99	-	5,707,520
La Capital Cable	Closed-Circuit Television	Argentina	49.00	14,257,579	20,523,128
TSMA	Cable Television Station	Argentina	49.10	47,988,890	31,760,343
Other Investments				11,114,947	6,601,046
<u>Interests in Joint Operations</u>					
TSC	Exploitation of events television broadcasting rights	Argentina	50.00	8,422,568	7,752,297
TRISA	Production and exploitation of sports events, advertising agency and financial and investing operations	Argentina	50.00	111,400,598	91,518,852
Canal Rural	Audiovisual production and sale of advertising	Argentina	24.99	5,406,269	4,268,968
Impripost	Variable printing	Argentina	50.00	10,622,629	10,605,383
AGL	Printing	Argentina	50.00	14,409,349	14,188,981
Ríos de Tinta	Editorial activities	Mexico	50.00	12,198,893	11,872,296
Patagonik	Film producer	Argentina	33.33	21,099,246	17,217,247
				596,745,957	1,721,354,821
<u>Included in liabilities</u>					
<u>Interests in Joint Operations</u>					
VLG	Investing and financing	USA	50.00	5,524,660	9,873,368
				5,524,660	9,873,368

⁽¹⁾ Interest in capital stock and votes.

⁽²⁾ Interest as of December 31, 2015. See Note 11.a.

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5.10 – Other Investments

	June 30, 2016	December 31, 2015
Non-Current		
Financial Instruments	573,448,913	458,789,781
	<u>573,448,913</u>	<u>458,789,781</u>
Current		
Financial Instruments	290,063,747	71,250,926
Securities	111,502,372	156,069,384
Mutual Funds	2,630,588,054	959,231,703
	<u>3,032,154,173</u>	<u>1,186,552,013</u>

5.11 – Other Receivables

	June 30, 2016	December 31, 2015
Non-Current		
Tax Credits	126,037,606	91,786,409
Guarantee Deposits	5,821,380	7,307,156
Prepaid Expenses	85,688,036	38,080,166
Advances	214,150,783	111,084,501
Related Parties	10,249,315	9,212,575
Call Option - NEXTEL	-	1,103,673,966
Other	16,924,830	29,740,489
Allowance for Other Bad Debts	(1,567,580)	(1,567,580)
	<u>457,304,370</u>	<u>1,389,317,682</u>
Current		
Tax Credits	333,855,153	231,318,592
Court-ordered and Guarantee Deposits	61,256,386	52,292,908
Prepaid Expenses	387,424,138	194,699,118
Advances	265,799,125	186,029,228
Related Parties	21,869,545	22,304,023
Derivatives	1,756,000	58,356,225
Sundry Receivables	62,902,557	50,114,718
Other	107,428,928	155,474,144
Allowance for Other Bad Debts	(1,146,852)	(1,146,852)
	<u>1,241,144,980</u>	<u>949,442,104</u>

5.12 – Trade Receivables

	June 30, 2016	December 31, 2015
Non-Current		
Trade Receivables	89,536,430	82,905,052
	<u>89,536,430</u>	<u>82,905,052</u>
Current		
Trade Receivables	5,142,203,359	4,039,922,312
Related Parties	25,667,095	20,077,281
Allowance for Bad Debts	(376,544,796)	(269,372,858)
	<u>4,791,325,658</u>	<u>3,790,626,735</u>

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5.13 – Provisions and Other

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Non-Current		
Provisions for Lawsuits and Contingencies	758,594,846	418,452,169
Accrual for Asset Retirement	<u>151,990,283</u>	<u>14,023,145</u>
	<u>910,585,129</u>	<u>432,475,314</u>

5.14 – Debt

The following table details the changes in loans and financing for the six-month period ended June 30, 2016 and the same period of the previous year:

	<u>2016</u>	<u>2015</u>
Balances as of January 1 st	6,935,089,262	4,589,396,870
New Loans and Indebtedness ⁽¹⁾	7,939,320,504	1,026,390,187
Accrued Interest	459,572,746	355,933,646
Other Financial Effects	1,116,196,199	247,531,978
Payment of Interest	(589,673,903)	(312,088,155)
Payment of Principal	<u>(4,933,765,638)</u>	<u>(406,222,820)</u>
Balances as of June 30	<u>10,926,739,170</u>	<u>5,500,941,706</u>

(1) Mostly loans for the payment of debt with upcoming maturity, and for the purchase of capital assets and inventories.

5.14.1 – Cablevisión

On April 28, 2014, at the Annual General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión, the shareholders of Cablevisión approved, among other matters: i) The creation of a Global Program (the "Program") for the issuance of simple, non-convertible, medium or long-term notes, to be authorized by the CNV, to be issued in one or more classes and/or series for an aggregate principal amount including all classes and/or series outstanding under the Program of up to USD 500,000,000, pursuant to the provisions of the Notes Law No. 23,576, as amended (the "Notes Law"). The shareholders delegated on the Board of Directors the power to determine and establish all the other terms for each class and/or series of notes to be issued under this Program. The shareholders also delegated on the Board of Directors of Cablevisión the power to approve the terms of the agreements related to the issuance and placement of the notes to be issued under the Program. The Board of Directors may subdelegate all or some powers interchangeably to one or more directors or managers of Cablevisión; and ii) the creation of a global program for the issuance of Short-Term Debt Securities of up to USD 100,000,000 (or its equivalent in other currencies, as determined by the Board of Directors) (*Valores Representativos de Deuda de Corto Plazo*, "VCPs", for its Spanish acronym), and the related registration of Cablevisión before the special registry created by the CNV for such purpose. The VCPs will have maturities of up to one year and are to be issued in one or more classes and/or series, under the form of promissory notes subject to the Notes Law, as amended. The shareholders delegated on that company's Board of Directors the power to determine and establish all the other terms of the VCP Program and the classes and/or series of VCPs to be issued within the authorized amount. They also delegated on the Board of Directors the power to request the CNV to register Cablevisión in the Special Registry for VCP Programs and to authorize the VCP Program. The Board of Directors may subdelegate all or some powers interchangeably to one or more directors or managers of Cablevisión.

On January 5, 2015, the Board of Directors of Cablevisión decided to call an Ordinary Shareholders' Meeting to be held on January 23, 2015. At said Shareholders' Meeting, the shareholders approved the issuance of non-convertible notes for an aggregate nominal value of up to USD 400,000,000 to be placed privately (without public offering) and to be issued in one or more series pursuant to the provisions of the Notes Law. The notes will be used both to offer them in exchange for the currently outstanding Notes and to receive funds in cash. The shareholders of that company delegated on the Board of Directors the power to establish all the terms governing the issuance of the above-mentioned notes within the authorized maximum amount, including, without limitation, time and price of the issuance, form, payment terms, use of proceeds, applicable law.

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On February 9, 2015, pursuant to its delegated powers, the Board of Directors of Cablevisión approved the issuance of Class V notes for a nominal value of USD 286,377,785.96 (the "Class V Notes"), at a fixed annual nominal interest rate of 9.375%, payable semiannually as from August 2016, with final maturity in February 2018, which were used in the refinancing of a portion of the debt represented by the outstanding Notes, which have been refinanced, pursuant to the Trust Agreement executed between Cablevisión, as issuer, and Deutsche Bank Trust Company Americas as trustee, co-registrar and paying agent. As of the date of these financial statements, Cablevisión had repaid in full the outstanding principal and interest under the Class V Notes.

On April 20, 2016, at the Annual General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión, the shareholders of Cablevisión approved, among other matters: i) the extension of the authorization of the Program, which had been granted at the Annual General Ordinary and Extraordinary Shareholders' Meeting on April 28, 2014, increasing the maximum amount of the outstanding notes that may be issued under this Program from a nominal value outstanding at any time of USD 500,000,000 (or its equivalent in other currencies) to USD 1,000,000,000 (or its equivalent in other currencies). The Shareholders' Meeting renewed the delegation on the Board of Directors of the broadest powers in connection with the Program. The Board of Directors may subdelegate all or some powers interchangeably to one or more directors or managers of Cablevisión; and ii) the extension of the authorization of the VCP program under the terms that had been originally approved. The Shareholders' Meeting renewed the delegation on the Board of Directors of the broadest powers in connection with the Program. The Board of Directors may subdelegate all or some powers interchangeably to one or more directors or managers of Cablevisión.

On June 1, 2016, pursuant to its delegated powers, the Board of Directors of Cablevisión authorized the issuance of Class A Notes for a nominal value of USD 500,000,000 (the "Class A Notes"), at a fixed annual nominal interest rate of 6.50%, payable semi-annually as from June 2016, with final maturity in June 2021. Proceeds will be used for:

- i) The redemption of the aggregate amount of outstanding principal under the Series V Notes for USD 286,377,785.96, unpaid interest, plus an applicable surplus of 2%;
- ii) The redemption of the aggregate amount of the outstanding principal under each of the Series I, II, III and IV Notes for USD 12,355,552.00 plus unpaid interest;
- iii) The payment of the aggregate principal amount under the 10-year Notes for USD 80,325,000.00 on its maturity date, July 20, 2016;
- iv) The prepayment in full of the Syndicated Loan (as defined below);
- v) The investment in fixed assets and other capital expenditures with the balance of the net proceeds (approximately USD 89,100,000).

In connection with the Notes issued by Cablevisión, it has undertaken certain covenants, including: (i) limitation on the issuance of guarantees by Cablevisión and its subsidiaries; (ii) consolidations, mergers, and sale of assets under certain conditions, (iii) limitation on incurring debt above certain approved ratios, (iv) restrictions on certain payments and limitation on transactions with shareholders and affiliates under certain conditions, and (v) limitation on the issuance and sale of significant subsidiaries' shares with certain exceptions.

As it is described above, on June 16, 2016, Cablevisión redeemed the aggregate amount of the outstanding principal under the Series V Notes for USD 286,377,785.96, which accrued interest at a fixed annual rate of 9.375%, with maturity on February 11, 2018, at a redemption price equal to 100% of the outstanding principal and unpaid interest plus an applicable surplus of 2%; and the aggregate amount of the outstanding principal under each of the Series I, II, III and IV Notes for USD 12,355,552.00 which accrued interest at an annual rate of 8.75%, 9.375%, 9.625% and 9.375%, respectively, with maturity on February 11, 2018, at a redemption price equal to 100% of the outstanding principal and accrued and unpaid interest without surplus, in compliance with the proceeds of funds established in the pricing supplement of the "Class A Notes".

After the closing date of these financial statements, on July 19, 2016, Cablevisión repaid in full the outstanding principal under the 10-year Notes for USD 80,325,000.00, which accrued interest at a fixed annual rate of 4.50%, in compliance with the use of proceeds established in the pricing supplement of the "Class A Notes".

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On January 30, 2015, Cablevisión executed a syndicated loan agreement with Industrial and Commercial Bank of China (Argentina) S.A. ("ICBC"), Banco Itaú Argentina S.A. ("Itaú"), Banco de la Ciudad de Buenos Aires ("Banco Ciudad"), Banco Santander Río S.A. ("Santander") and Banco Macro S.A. ("Macro") for Ps. 700 million, at a variable interest rate of adjusted BADLAR (average interest rate for 30 to 35 day term deposits of more than Ps. 1 million in Buenos Aires) + 4.85% and with its final maturity in July 2016, for the purpose of making a prepayment of principal and interest owed to ICBC, Itaú and Banco Ciudad under the syndicated loan agreement executed on January 31, 2014, in order to finance working capital and capital investments. As a result of the execution of the syndicated loan agreement, Cablevisión has undertaken certain covenants, including: (i) limitation on the issuance of guarantees by subsidiaries and encumbrances; (ii) reorganization, change of control, and sale of assets under certain conditions, (iii) limitation on incurring debt above certain approved ratios, (iv) limitation on capital expenditure exceeding a certain amount, and (v) limitation on transactions with shareholders and affiliates under certain conditions. As of June 30, 2016, this loan had been prepaid in compliance with the use of proceeds established in the pricing supplement of the "Class A Notes".

On January 18, 2016, Cablevisión executed a financial loan agreement with Nuevo Banco de Santa Fe S.A. for Ps. 50 million at an annual fixed nominal interest rate of 34% with final maturity in April 2016, for the purpose of increasing its working capital to finance the development of its core business. In April 2016, this loan was cancelled.

On April 19, 2016, Cablevisión executed a financial loan agreement with Nuevo Banco de Santa Fe S.A. for Ps. 50 million at an annual fixed nominal interest rate of 34.25% with final maturity in July 2016, for the purpose of increasing its working capital to finance the development of its core business. In July 2016, this loan was cancelled.

On July 19, 2016, Cablevisión executed a financial loan agreement with Nuevo Banco de Santa Fe S.A. for Ps. 50 million at an annual fixed nominal interest rate of 30.50% with final maturity in October 2016, for the purpose of increasing its working capital to finance the development of its core business.

5.14.2 – AGEA and subsidiaries

As of June 30, 2016, AGEA had executed overdraft facility agreements with banks for a maximum of Ps. 242 million for a maximum term of 33 days. Those overdraft facilities accrue interest at a fixed annual rate ranging from 32% to 41%. In addition, as of June 30, 2016, AGR had executed overdraft facility agreements with banks for a maximum of Ps. 96.8 million.

5.14.3 – IESA and subsidiaries

On February 3, 2016, Auto Sports S.A., subsidiary of IESA, executed a loan agreement with Banco Santander Río S.A. for Ps. 20 million to be allocated to the purchase of goods. This loan has a term of 36 (thirty six) months with a grace period of 12 (twelve) months and accrues interest at an annual variable rate based on the Badlar rate for Private Banks, plus a 4.60% margin. Principal will be repaid in 9 (nine) equal quarterly installments as from the 12th (twelfth) month.

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5.15 - Trade Payables and Other

	June 30, 2016	December 31, 2015
Non-Current		
Suppliers and Trade Provisions	19,213	1,692,559
Employer's Contributions	21,490,233	17,864,459
	<u>21,509,446</u>	<u>19,557,018</u>
Current		
Suppliers and Trade Provisions	3,976,830,343	3,309,897,561
Related Parties	103,042,484	94,905,781
Employer's Contributions	1,495,479,725	1,648,099,256
	<u>5,575,352,552</u>	<u>5,052,902,598</u>

5.16 – Discontinued Operations

The following is a detail of net income for the period presented on a comparative basis, stated on a consolidated basis in these financial statements so that they may be compared to net income for the current period:

	June 30, 2015
Operating Income ⁽¹⁾	14.7
Other Income and Expense, net	0.3
Financial Results, net	(3.0)
Equity in Earnings from Affiliates and Subsidiaries	20.1
Income before Income Tax and Tax on Assets	32.0
Income Tax and Tax on Assets	(4.6)
Net Income from Discontinued Operations	<u>27.4</u>

⁽¹⁾ Comprises sales, less the cost of sales and selling and administrative expenses.

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, 2015, 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.

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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.

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. 50/2010, 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 extend the effectiveness of 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.

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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 abovementioned 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 the Company to subscribers domiciled in the Province of Buenos Aires, are actually prepared at the headquarters located at Gral. Hornos 690, and/or at the Company'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 the Company 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 terms are 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.

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.

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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. Pursuant to the Antitrust Law and to Broadcasting Law No. 22,285, the transactions carried out on September 26, 2006 that resulted in an increase in the indirect interest the Company held in Cablevisión to 60%, Cablevisión's acquisition of 98.5% of Multicanal and 100% of Holding Teledigital, and Multicanal's acquisition of PRIMA (from PRIMA Internacional (now CMD)), required the authorization of the CNDC (validated by the SCI), and the COMFER. On October 4, 2006, the Company, Vistone, Fintech, VLG and Cablevisión, as purchasers, and AMI CV Holdings LLC, AMI Cable Holdings Ltd. and HMTF-LA Teledigital Cable Partners LP, as sellers, filed for the approval of the acquisition. After several requests for information, the SCI issued Resolution No. 257/07, with a prior opinion of the CNDC in favor of the approval of the above-mentioned transactions and after consulting the COMFER and the SECOM, which did not raise any objections. The Company was served notice in this respect on December 7, 2007. Such Resolution was appealed by five entities. As of the date of these financial statements, the CNDC has dismissed the five appeals filed against the above-mentioned resolution. Four of those entities filed direct appeals before the judicial branch, but they were all dismissed.

On June 11, 2008, Cablevisión was served with a decision of the National Court of Appeals on Federal Civil and Commercial Matters revoking a decision rendered by the CNDC on September 13, 2007, whereby such agency had dismissed a claim filed by Gigacable S.A. prior to the December 7, 2007 decision referred to above. The Court of Appeals revoked CNDC's decision only with respect to matters relating to the conduct of Cablevisión and Multicanal prior to CNDC's authorization of the transactions on December 7, 2007, and ordered an investigation to determine whether a fine should be imposed on Cablevisión and Multicanal due to such conduct. As of the date of these financial statements, Cablevisión has filed its response, which is pending analysis by such agency.

- c. On December 15, 2008, the shareholders of Cablevisión approved the merger of Multicanal, Delta Cable S.A., Holding Teledigital, Teledigital, Televisora La Plata Sociedad Anónima, Pampa TV S.A., Construed S.A. and Cablepost S.A. into Cablevisión, whereby, effective as of October 1, 2008, Cablevisión, as surviving company, became the universal successor to all of the assets, rights and obligations of the merged companies.

Such process was registered with the IGJ under No. 9,448, Book 79 Volume – Stock Companies.

On September 8, 2009, Multicanal was served with CNDC Resolution No. 106/09, dated September 4, 2009, whereby the CNDC ordered an audit to articulate and harmonize the several aspects of Resolution No. 577/09 issued by the COMFER, whereby it had rejected the merger of Cablevisión and Multicanal, with Resolution No. 257/07 issued by the Secretariat of Domestic Trade. Resolution No. 106/09 also sets forth that the notifying companies shall not, from the enactment thereof and until the end of the audit and / or resolution of the CNDC, be able to remove or replace physical or legal assets.

On September 17, 2009 Judge Dr. Esteban Furnari of the National Court on Federal Administrative Matters No. 2, in re "Multicanal and Other v. Conadeco- Decree 527/05 and other on Proceeding leading to a declaratory judgment", ordered the suspension of the effects of COMFER Resolution No. 577/09, of CNDC Resolution No. 106/09, and any other act resulting therefrom, until a final decision was rendered in the case.

On December 16, 2009, the Chamber No. 3 of the National Court of Appeals on Federal Administrative Matters, in re "Multicanal and other v. CONADECO Decree 527/05 and other on Proceeding leading to a declaratory judgment" File No. 14,024/08, granted the extraordinary appeal filed by Multicanal and Grupo Clarín against the decision rendered by that same court on October 23, 2009. With the granting of that appeal, Cablevisión's preliminary injunction regained full force and effect. Accordingly, on January 8, 2010 Cablevisión notified such circumstance to the COMFER.

Subsequently, on March 9, 2011, the Supreme Court of Argentina in re "MULTICANAL and Other v./ CONADECO - Decree 527/05 and other on/Proceeding leading to a declaratory judgment", granted the appeal by right and the extraordinary appeal filed by the National Government and revoked the decision

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rendered by Chamber No. 3 of the National Court of Appeals on Federal Administrative Matters, which had confirmed the preliminary injunction requested by Cablevisión in the first instance. Notwithstanding the foregoing, Cablevisión believes that this matter does not have a material impact on the merits of the case.

Notwithstanding the required filings made by Cablevisión and its shareholders to prove that they were complying with the commitment agreed with the CNDC on December 7, 2007 (date on which the SCI granted authorization), on September 23, 2009, the SCI issued Resolution No. 641, whereby it ordered the CNDC to verify compliance with the parties' proposed commitment by visiting the parties' premises, requesting reports, reviewing documents and information and carrying out hearings, among other things.

On December 11, 2009, Cablevisión notified the CNDC of the completion and corresponding verification of the fulfillment of the voluntary undertakings made by Cablevisión at the time of the enactment of SCI Resolution No. 257/07. On December 15, 2009, Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters issued a preliminary injunction in re "Grupo Clarín S.A. v. Secretariat of Domestic Trade and other on preliminary injunctions" (case 10,506/09), partially acknowledging the preliminary injunction requested by Grupo Clarín, and instructing the CNDC and the SCI to notify Grupo Clarín whenever their own verification of Cablevisión's fulfillment of its undertakings had been concluded, regardless of the result. Should such agencies have any observations, they should notify Grupo Clarín within a term of 10 days. On the same date, the CNDC issued Resolution No. 1,011/09 whereby it deemed Cablevisión's voluntary undertakings unfulfilled and declared the rescission of the authorization granted under Resolution No. 257/07.

On December 17, 2009, the National Court of Appeals on Federal Commercial-Criminal Matters, Chamber A, decided to suspend the term to appeal Resolution No. 1,011/09 until the main case was transferred back to the CNDC, considering it had been in such court since December 16, 2009.

On December 17, 2009, the CNDC notified Cablevisión of the initiation of the motion for execution of Resolution No. 1,011/09. On December 18, 2009, Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters issued an injunction in re "Grupo Clarín S.A. v. Secretariat of Domestic Trade and other on preliminary injunctions", which suspended the effects of Resolution No. 1,011/09 until the notice set forth in the injunction of December 15, 2009 was served. Accordingly, the CNDC served notice to Cablevisión by means of Resolution No. 1,101/09.

On December 30, 2009, Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters issued a preliminary injunction in re "Grupo Clarín S.A. v. Secretariat of Domestic Trade and other on preliminary injunctions", partially acknowledging Grupo Clarín's request and suspending the term for Grupo Clarín to respond to Resolution No. 1,101/09 until Grupo Clarín is granted access to the administrative proceedings related to the charges brought by the CNDC in its Opinion No. 770/09 (on which Resolution No. 1,011/09 was based).

On February 19, 2010, Cablevisión requested the nullification of the notice, and as a default argument, submitted the response requested under Resolution No. 1,101/09. On February 26, 2010, the National Court of Appeals on Federal Commercial-Criminal Matters approved the recusation filed by Cablevisión and excluded the Secretariat of Domestic Trade from the proceedings.

On March 3, 2010, the Argentine Ministry of Economy and Public Finance issued Resolution No. 113 (subscribed by the Minister of Economy, Dr Amado Boudou) rejecting the request for the nullification of Resolution No. 1,011/09, the requests for abstention and excusation of certain officials, and all the evidence produced in connection with such request for nullification. The voluntary undertakings made by Cablevisión under Resolution No. 257/07 were deemed unfulfilled, thus declaring the rescission of the authorization granted under such resolution. The parties involved were ordered to take all necessary actions to comply with such rescission within a term of six months, and to inform the CNDC about the progress made in that respect on a monthly basis. Such resolution was appealed in due time and form. The appeal was granted without staying the execution of judgment.

On April 20, 2010, Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters granted the appeal filed by Grupo Clarín S.A. in re "Grupo Clarín on delay in the appeal of the

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proceedings”, and decided that the appeal granted by the CNDC to Grupo Clarín S.A. against Resolution No. 113/10 had the effect of staying such resolution.

The National Government filed an appeal asking that the Court of Appeals revoke its own decision with respect to the effect granted to the April 20 decision, and that it decline its jurisdiction. It also filed an appeal to have the case brought before the Supreme Court. Both appeals were dismissed. Chamber No. 2 requested the administrative file to consider the appeal and render its decision.

On September 17, 2015, the Court rendered a decision in favor of Cablevisión, revoking Resolution No. 113/10 in its entirety. Both parties were served with the decision on that same date.

The National Government - Ministry of Economy filed an appeal to have the case brought before the Supreme Court, which was substantiated in February 2016.

Subsequently, in March 2016, the appeal filed by the National Government - Ministry of Economy and Public Finance was dismissed. Therefore, SCI Resolution No. 257/07 and the effects of the authorization are in full force and effect to date.

On March 31, 2016, the National Government – Ministry of Economy and Public Finance filed a direct appeal before the Supreme Court of Argentina.

Subsequently, the National Government abandoned the Direct Appeal and the Supreme Court deemed it abandoned on June 7, 2016. Therefore, MECON Resolution No. 113/10 is considered to be null and void.

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 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 and the intervening judge has ordered discovery proceedings.

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 Ordinary General 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.

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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 Company has filed a response in due time and form.

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 Company has filed a response in due time and form.

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, a response to the claim had been filed.

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.

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.

6.3 Matters concerning Papel Prensa

- a. In connection with the matters concerning Papel Prensa described in Note 8.4.IV. to the Company's consolidated financial statements as of December 31, 2015, the hearing that was to be held on April 14, 2016 was subsequently postponed by the Court for June 9, 2016.

Subsequently, in March 2016, the Commercial Court of Appeals –Chamber C– summoned Papel Prensa, the CNV, and the shareholders of AGEA, the National Government, SA La Nación and CIMECO to attend a hearing to be held on April 7, 2016, solely for conciliatory purposes and with the aim of finding a comprehensive solution to the conflict. The hearing was held on that date and a new date was set to resume the hearing on June 2, 2016 for the same purposes and effects.

In view of the above, the date for resuming such meeting and all the claims pending before the Commercial Court of Appeals are still suspended to date. After the last hearing for conciliatory purposes was held, the parties, by mutual agreement, requested the court to order a shareholders' meeting to be held on September 29, 2016. In response to that request, the Court of Appeals served notice thereof on the Court of Appeals' Attorney, who has not yet issued an opinion on the matter. Therefore, all the matters concerning the conflict related to Papel Prensa, are subject to new court hearings for conciliatory purposes and to the outcome of the request for a shareholders' meeting that was filed with the Court of Appeals.

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NOTE 7 - REGULATORY FRAMEWORK**7.1 Audiovisual Communication Services Law.**

The subsidiaries of Grupo Clarín that render audiovisual communication services are holders of licenses that were originally awarded under the regime established by Law No. 22,285. The COMFER was the enforcement authority established by that law. Under Law No. 22,285 audiovisual communication service companies in Argentina required a non-exclusive license from the COMFER in order to operate. Other approvals were also required, including, for some services, authorization by municipal agencies. Broadcasting licenses were granted for an initial period of 15 years, allowing for a one-time extension of 10 years. The extension of the license was subject to the approval of the COMFER, which would determine whether or not the licensee had met the terms and conditions under which the license had been granted. Some of the licenses exploited by the subsidiaries have already been extended for the above-mentioned 10-year term.

On May 24, 2005, Decree No. 527/05 provided for a 10-year-suspension of the terms then effective of broadcasting licenses or their extensions. Calculation of the terms was automatically resumed upon expiration of the suspension term, subject to certain conditions. The Decree required that companies seeking to benefit from the extension submit to the COMFER's approval, within two years from the date of the Decree, programming proposals that would contribute to the preservation of the national culture and the education of the population and a technology investment project to be implemented during the suspension term. COMFER Resolution No. 214/07 regulated the obligations established by Decree No. 527/05 in order to benefit from such suspension. The proposals then submitted were approved and, accordingly, the terms of the licenses originally awarded to the subsidiaries of Grupo Clarín were suspended for ten (10) years.

The Audiovisual Communication Services Law (Law No. 26,522, LSCA, for its Spanish acronym) was passed and enacted on October 10, 2009, subject to strong concerns over its content and enactment procedure. Even though the new Law became effective on October 19, 2009, not all of the implementing regulations provided by the law have been issued. Therefore, Law No. 22,285 still applies with respect to those matters that to date have not been regulated, until all terms and procedures for the regulation of the new law are defined.

The law provided for the replacement of the COMFER with the Audiovisual Communication Services Law Federal Enforcement Authority (AFSCA, for its Spanish acronym) as a decentralized and autarchic agency under the jurisdiction of the Executive Branch, and vested the new agency with authority to enforce the law.

Emergency Decree No. 267/15 issued on December 29, 2015, created the National Communications Agency ("ENACOM", for its Spanish acronym) as a decentralized and autarchic agency under the jurisdiction of the Ministry of Communications. Among other powers, the ENACOM has all the same powers and competences that Law No. 26,522 vested in AFSCA. See Note 7.3.

7.2 Telecommunication Services.

The regulatory framework of the Argentine telecommunications sector is undergoing a process of change. In December 2014, the Argentine Congress passed Law No. 27,078, known as the "Digital Argentina Act", which partially repealed National Telecommunications Law No. 19,798. The new law subjects the effectiveness of Decree No. 764/00, which deregulated the telecommunications market, to the enactment of four new sets of rules that will govern the License, Interconnection, Universal Service and Radio-electric Spectrum regimes.

The new law maintains the single country-wide license scheme and the individual registration of the services to be rendered, but replaces the name telecommunication services with Information and Communications Technology Services ("TIC Services", for their Spanish acronym). Notwithstanding this, the scope of the licenses originally granted to the subsidiary Cablevisión, its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses and their respective registrations of services, remain unaltered.

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The license will be called “*Licencia Única Argentina Digital*” and will allow licensees to render any telecommunication services to the public, be they fixed or mobile, wired or wireless, national or international, with or without the licensee’s own infrastructure.

The TIC Services registered with the Argentine Secretariat of Communications under the name of Cablevisión, its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses are the following: Data Transmission, Paging, Videoconference, Community Retransmission, Transport of Broadcast Signals, Value-Added, Radio-Electric Trunking, Internet Access, Public Telephony, Local Telephony and National and International Long-Distance Telephony.

The law created a new enforcement and oversight Authority as a decentralized agency under the jurisdiction of the Executive Branch, the Information and Communications Technology Federal Enforcement Authority (“AFTIC”, for its Spanish acronym).

The new law maintained the obligation to contribute 1% of telecommunication service revenues, net of taxes and charges, to be used for Universal Service investments (this obligation had been imposed by Decree No. 764/00 on all service providers as from January 1, 2001), but the Universal Service Trust Fund was placed under State control. Until August 2015, the manager of such trust fund was Banco Itaú Argentina S.A., which received the joinder requests filed by Cablevisión and its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses to join the Trust Agreement.

The Argentine Secretariat of Communications has yet to decide on the approval of the Project submitted by Cablevisión on June 21, 2011, within the framework of SECOM Resolution No. 9/2011 which created the “Infrastructure and Equipment” program, whereby telecommunication service providers were allowed to submit projects aimed at developing new infrastructure, updating existing infrastructure and/or acquiring equipment for areas without coverage or with unmet needs, in order to meet the obligation to make contributions to the Universal Service Trust Fund for the amounts accrued as from January 2001 until the entry into force of Decree No. 558/08.

Another innovation of Law No. 27,078 is the creation of a new public service under the name “Public and Strategic Infrastructure Access and Use Service for and among Providers”. The right of access includes “providers having to make available to other providers their network elements, associated facilities or services to render TIC services, even when such elements are used to render audiovisual content services.” Under this scheme, the government seeks to make private companies that were created and developed in competition share their networks with other companies that have not made any investments.

The foregoing applies to any provider that has its own infrastructure or networks, because the term “Associated facilities” is defined as physical infrastructures, systems, devices, associated services or other facilities or elements associated with a telecommunications network or with TIC Services that enable or support the provision of services using that network or service, or that have the potential to do so; and will include, inter alia, buildings or building entrances, building wiring, antennas, towers and other supporting constructions, ducts, masts, manholes, and cabinets (See Note 7.3.).

As of the date of these interim condensed consolidated financial statements, Law No. 27,078 has been only partially regulated.

7.3. Emergency Decree No. 267/15. Convergence.

Emergency Decree No. 267/15 (the “Emergency Decree”), issued on December 29, 2015 and published in the Official Gazette on January 4, 2016, creates the ENACOM as a decentralized and autarchic agency under the jurisdiction of the Ministry of Communications and vests the new agency with authority to enforce Laws Nos. 26,522 and 27,078, as amended and regulated. The ENACOM has all the same powers and competences that had been vested in AFSCA and AFTIC by Laws Nos. 26,522 and 27,078, respectively.

Among the main amendments introduced by the Emergency Decree with respect to both laws, the most remarkable is the repeal of Section 161 of Law No. 26,522, which set forth the obligation to conform to the provisions of this law with respect to ownership conditions and the number of licenses. Section 45 of Law No. 26,522, which establishes the multiple license regime, has been significantly amended. As a result, the

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Company and its subsidiaries that are licensees and/or owners of audiovisual communication services already conform to the new regulatory framework.

Under the new regulatory framework, the licenses for physical link subscription television services and for radio-electric link subscription television services held by certain subsidiaries that had been granted under Laws No. 22,285 and No. 26,522 are now called "Registrations" for the exploitation of physical link subscription television services and radio-electric link subscription television services of a *Licencia Única Argentina Digital*.

Pursuant to this amendment (Section 7 of the Emergency Decree, which amends, among others, Section 10 of Law No. 27,078), all the services exploited by Cablevisión and its subsidiaries are now governed by the Digital Argentina Act. The only license still exploited by Cablevisión that could be considered to be still subject to the LSCA is the registered title of the signal METRO, since this signal is broadcast through other services that acquire it for that purpose, and, therefore, it has a registration number issued by AFSCA (now ENACOM) that must be renewed on an annual basis.

As far as the Company's subsidiaries are concerned, the Emergency Decree eliminates:

1. The incompatibility to render in the same location broadcast television services and subscription television services. When subscription television services are exploited through physical or radio-electric link, they will be subject to the Digital Argentina Act pursuant to Section 7 of the Emergency Decree, which amends, among others, Section 10 of Law No. 27,078;
2. The limit of 10 licenses for radio-electric link subscription television services and 24 licenses for physical link subscription television services, which are considered to be TIC services as from January 4, 2016, date on which the Emergency Decree became effective; and the limit that provided that broadcast television services may not reach more than 35% of the total national population and the limit that provided that physical link and radio-electric link subscription television services may not reach more than 35% of all subscribers.

As far as Cablevisión is concerned, the Emergency Decree repeals Section 15 of Law No. 27,078, which created a new public service under the name "Public and Strategic Infrastructure Access and Use Service for and among Providers". The right of access included "providers having to make available to other providers their network elements, associated facilities or services to render TIC services, even when such elements were used to render audiovisual content services."

Due to the fact that physical link and radio-electric link subscription television services are now subject to the Digital Argentina Act:

- i) These services no longer fall within the scope of Section 45 of the LSCA, which sets forth the new multiple license regime for Audiovisual Communication Services;
- ii) The registration of physical link subscription television services is no longer limited to a specific territorial area. The same is not the case with radio-electric link subscription television services because of the portion of the spectrum allocated to render these services;
- iii) Both registrations, for physical link subscription television services and for radio-electric link subscription television services, are no longer subject to expiration terms. However, the portions of the spectrum allocated to render radio-electric link subscription television services do have expiration terms. The duration of such services shall be the longest of the term provided under their original title, or 10 years as from January 1, 2016.

Notwithstanding point iii) above, ENACOM Resolution No. 427/2016 provides that cable television service licensees that hold only one license to provide a certain type of service and have requested an extension of its term but have not obtained an express decision in this respect must ratify their requests. Accordingly, some of the subsidiaries of Cablevisión have made filings to such end.

However, it should be noted that pursuant to Section 21 of the Emergency Decree and until the enactment of a law that shall unify the fee regime provided under Laws Nos. 26,522 and No. 27,078, the physical link and radio-electric link subscription television services exploited by certain subsidiaries of the Company will continue to be solely subject to the fee regime provided under Law No. 26,522. They shall not be subject to a

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1% contribution of their revenues or to the payment of the Control, Oversight and Verification Fee provided under Sections 22 and 49 of Law No. 27,078.

With regard to the term of the licenses for television and radio broadcast services, the Emergency Decree establishes two important changes:

- It provides for a new system of extensions for audiovisual communication service licenses whereby the licensee may request a first extension for five (5) years, which will be automatic. Upon expiration of this term, licensees may request subsequent extensions of ten (10) years complying in that case with the provisions of the Law and applicable regulations to be eligible for each extension. However, this system of subsequent extensions may be interrupted upon the expiration of the last extension if the Ministry of Communications decides to call for a public bid for new licensees, for reasons of public interest, for the introduction of new technologies or in compliance with international agreements. In this case, prior licensees shall have no acquired rights regarding their licenses.
- Section 20 of the Emergency Decree provides that the holders of licenses effective as of January 1, 2016 may request a ten (10) year extension, without it being necessary to wait until the expiration of the license that is currently effective. Such extension shall be considered as a first period that entitles the holder to the five (5) year automatic extension.

Taking into consideration the advantages provided under the new legal framework with regard to the terms of the licenses, the direct and indirect subsidiaries of the Company that exploit audiovisual communication services, i.e. ARTEAR, RADIO MITRE, TELECOR S.A.C.I., Teledifusora Bahiense S.A. and Bariloche TV S.A., made a filing with the ENACOM requesting the extension of the terms of their licenses pursuant to Section 20 of the Emergency Decree.

Cablevisión will follow the procedure established under ENACOM Resolution No. 427/16 in order to report, using the online application provided by the ENACOM to such end, the territorial location of its services, indicating the original coverage area, the supplementary territorial units and/or area extensions in which it currently renders services.

In addition, and pursuant to ENACOM Resolution No. 1,394/16, which approves the General Rules for Physical Link Subscription Television Services and/or Radio-Electric Link Subscription Television Services, in those cases in which Cablevisión and/or any of its Subsidiaries purchased bidding forms to apply for a new license when the term had expired or to apply for an area extension, the applicants amended their filings and converted them into a request for authorization of coverage area.

The new General Rules also order providers of both types of services to guarantee their compliance with a programming grid in each Coverage Area. In this respect, the subsidiary of the Company states that it already complies with all the obligations derived from this Resolution.

Pursuant to the Emergency Decree, the providers of the Basic Telephone Service whose licenses were granted under the terms of Decree No. 62/90 and paragraphs 1 and 2 of Section 5 of Decree No. 264/98, as well as Mobile Telephone Service providers with a license granted pursuant to the list of bidding conditions approved by Resolution No. 575/93 of the then Ministry of Economy and Public Works and Services and ratified by Decree No. 1,461/93, shall only be able to provide subscription broadcasting services by means of physical or radio-electric link after a term of two years counted as from January 1, 2016. That term may be extended for one more year.

The Emergency Decree was approved on April 6, 2016 by the Lower House of Congress. Therefore, it has full force and effect.

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

7.4.1. Proposal to conform to the provisions of Law No. 26,522.

Pursuant to Resolution No. 17/ENACOM/2016 issued on February 01, 2016, the new enforcement authority recognized that all the files and/or administrative proceedings pending resolution containing requests made

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under the regime approved by Section 161 of Law No. 26,522, and its regulations, including the proposal submitted by the Company and its subsidiaries, comply with the limits relating to multiplicity of licenses established by Section 45 of Law No. 26,522, as amended by Emergency Decree No. 267/2015. Therefore, they shall be deemed concluded and filed.

7.4.2 Other Resolutions issued by AFSCA.

We refer to Resolution No. 1,329/AFSCA/2014, which amends Resolution No. 1,047/AFSCA/2014, whereby the AFSCA approved the National Standard for Terrestrial and Broadcast Digital Television Audiovisual Communication Services, and to Decree No. 2,456/2014, which approves the National Digital Audiovisual Communication Services Plan. Both the Resolution and the Decree are manifestly contrary to Law No. 26,522, which has higher hierarchy, because they contradict the rights of the current licensees of broadcast television services, including ARTEAR and the subsidiaries that exploit broadcast television services.

This regulatory framework was subsequently supplemented by three resolutions. Through Resolution No. 24/AFSCA/2015, AFSCA approved the Technical Plan for Terrestrial Digital Television Frequencies for important areas of the national territory. Through Resolution No. 35/AFSCA/2015, AFSCA allocated a digital television station on a permanent basis to the current licensees of analog broadcast stations, among which are ARTEAR and its subsidiary TELECOR S.A.C.I. in order to develop their transition to digital technology. Finally, through Resolution No. 39/AFSCA/2015, AFSCA called for public bids for the award of digital television licenses according to the illegitimate categories created by the regulations of the LSCA. Through this regulatory framework, the rights of the current broadcast television licensees are infringed. These rights should be preserved intact as provided under Law No. 26,522, which has higher hierarchy. The main effect of these regulations, among their technical effects, is that the current broadcast television licensees that obtained their licenses pursuant to Law No. 22,285 will have to bear additional charges and obligations including, among other things, multiplexing and broadcasting under their own responsibility other broadcast television stations.

Since the changes introduced under this regulatory framework have an impact on the responsibilities and rights of the companies involved, ARTEAR and TELECOR S.A.C.I. filed a claim before AFSCA requesting the revocation of Resolutions No. 1,329/AFSCA/2014, 24/AFSCA/2015, 35/AFSCA/2015 and 39/AFSCA/2015 to preserve their rights intact as direct or indirect broadcast television service licensees. They also filed a claim before the National Executive Branch requesting the repeal of Decree No. 2,456/2014. As of the date of these financial statements, the claim filed before AFSCA was dismissed. Therefore, ARTEAR challenged before the courts that agency's decision to dismiss the claim. The claim filed before the National Executive Branch is still pending resolution.

7.4.3. Fibertel License.

The ENACOM issued Resolution No. 1,359/16, whereby it authorized the transfer of ownership of the Exclusive Telecommunication Service License that had been granted to Fibertel S.A., which was merged into Cablevisión effective as of April 1, 2003. (See Note 9.4.8. to the Consolidated Financial Statements as of December 31, 2015).

7.4.4. Nextel.

7.4.4.1. Acquisition of Control over NEXTEL.

On September 10, 2015, the Board of Directors of Cablevisión approved the assignment of the rights and obligations held by Grupo Clarín under an offer it had submitted to NII Mercosur Telecom, S.L.U. and NII Mercosur Móviles, S.L.U. (hereinafter, the "Sellers") for the acquisition of 49% of the capital stock of NEXTEL COMMUNICATIONS ARGENTINA S.R.L. and an option to acquire, together with the subsidiary of Cablevisión, Televisión Dirigida S.A., subject to certain conditions -among them, the regulatory approvals-, 51% of the remaining capital stock. The price of the transaction was USD 165 million (out of this amount, USD 80 million accounts for 49% and USD 85 million accounts for 51%) plus the right to collect an additional amount of up to USD 13 million subject to the fulfillment of certain conditions. The transaction was executed on September 14, 2015 with the aggregate payment by Cablevisión and its subsidiary of USD 159 million.

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The companies undertook to create an USD 6 million guarantee fund with the balance to cover any potential liabilities of Nextel (this fund was set up on October 7, 2015).

Subsequently, on January 27, 2016, Cablevisión and its subsidiary Televisión Dirigida S.A. decided to exercise the option to acquire the remaining 51% of the capital stock and votes of Nextel, and, consequently, Cablevisión became the holder of 51.4% of the capital stock and votes of Nextel and Televisión Dirigida S.A. became the holder of the remaining 48.6%.

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.

This transaction is subject to the corresponding administrative approval of the CNDC.

On June 30, 2016, Televisión Dirigida S.A. notified Nextel of the transfer of: (i) 392,774,929 membership interests with nominal value of Ps. 1 each and entitled to one vote per membership interest, representing 48.5% of the capital stock and votes of Nextel, in favor of Cablevisión; and (ii) 1,000,000 membership interests with nominal value of Ps. 1 each and entitled to one vote per membership interest, representing 0.1% of the capital stock and votes of Nextel, in favor of PEM S.A. As a consequence of the above-mentioned assignment of membership interests, Televisión Dirigida S.A. is no longer related to Nextel. This assignment has not yet been registered with the IGJ.

7.4.4.2. Status of the frequencies allocated to NEXTEL.

Through Resolution No. 325/2015, AFTIC decided, abruptly and without prior notice of its decision, to dismiss the requests for extensions of certain frequencies allocated to Nextel, revoking them in that same act.

On October 9, 2015 Grupo Clarín and Cablevisión filed an appeal against Resolution No. 325/2015 grounding their legitimate interest on their acquisition of 49% of the licensee.

Nextel first requested the suspension of the effects of Resolution No. 325/2015 and then filed an appeal against that administrative act. The ENACOM issued Resolution No. 134/2016, whereby it decided to grant partially the appeal filed by NEXTEL COMMUNICATIONS ARGENTINA S.R.L. against AFTIC Resolution No. 325/2015. Even though this Resolution did not entail the automatic extension of the frequencies involved, the ENACOM ordered the corresponding areas to analyze each file to verify compliance with the requirements of the effective regulatory framework to be eligible for obtaining the requested extensions.

The ENACOM issued Resolution No. 281/16, whereby it authorized the extensions for a term of 10 years counted as from the original expiration of the authorizations for the use of the frequencies that had been dismissed and revoked through Resolution No. 325/2015.

7.4.4.3 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.

As of the date of these financial statements, Nextel has not received any response to the above-mentioned requests.

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7.4.5. Audiovisual Communications Law of the Republic of Uruguay.

Law No. 19,307 was published in the Official Gazette of the Republic of Uruguay on January 14, 2015. This Law governs radio, television, and other audiovisual communication services (hereinafter, the "Audiovisual Communications Law"). Section 202 of this law provides that the Executive Branch shall issue the implementing regulations for this law within a 120-day term as from the day following the publication of this law in the Official Gazette. As of the date of the financial statements, only Decree No. 45/015 has been issued, but the implementing regulations for most of the sections of this law are still pending. Such Decree provides that the concession for the use and allocation of the radio-electric spectrum for non-satellite audiovisual communication services shall be granted for a term of 15 years.

Section 54 of the Audiovisual Communications Law provides that an individual or legal entity cannot be allocated the full or partial ownership of more than 6 authorizations or licenses to render television services to subscribers throughout the national territory of Uruguay. Such limit is reduced to 3 if one of the authorizations or licenses includes the department of Montevideo. Section 189 of this law provides that in the cases where such limits were exceeded as of the entry into force of the Law, the owners of those audiovisual communication services shall transfer the necessary authorizations or licenses so as not to exceed the limits mentioned above within a term of 4 years as from the date of entry into force of the Audiovisual Communications Law.

Adesol S.A. is analyzing the possible impact on its business that could be derived from the change in the regulatory framework and the eventual legal actions it may bring to safeguard its rights and those of its shareholders. That company is also monitoring the different unconstitutionality claims filed by other companies against certain sections of the above-mentioned law to consider whether the decisions to be rendered by the Supreme Court in those proceedings may be favorable to the position of Adesol S.A. in the future. On April 7, 2016, 28 unconstitutionality claims were brought against the above-mentioned law. To date, the Supreme Court has issued only three decisions, whereby it declared the unconstitutionality of Section 39, subsection 3, Section 55, Section 60 point C, Section 98, subsection 2, Section 143 and Section 149 subsection 2 of Law No. 19,307. It is noteworthy that the last decision rendered in this respect by the Supreme Court dismissed the unconstitutionality claim filed by the claimant with respect to Section 54 of that Law.

The decisions to be made based on these consolidated financial statements should contemplate the eventual impact that these changes in the regulatory framework may have on Cablevisión and its subsidiaries in the Republic of Uruguay. The Company's consolidated financial statements should be read in the light of this uncertain environment.

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, 2015.

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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 June 30, 2016 and December 31, 2015:

	(in millions of Argentine pesos) June 30, 2016	(in millions of Argentine pesos) December 31, 2015
ASSETS		
Other Receivables	148	95
Trade Receivables	1,049	626
Other Investments	2,698	488
Cash and Banks	1,355	1,501
Total assets	5,250	2,710
LIABILITIES		
Debt	10,209	6,092
Seller financings	147	2
Other Liabilities	74	70
Trade Payables and Other	1,214	667
Total Liabilities	11,644	6,831

Bid/offered exchange rates as of June 30, 2016 and December 31, 2015 were of Ps. 14.94 and Ps. 15.04; and Ps. 12.94 and Ps. 13.04; respectively.

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):

	June 30, 2016	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
Assets			
Current Investments	2,762	2,737	25
Financial Instruments	2	-	2
	December 31, 2015	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
Assets			
Current Investments	1,144	1,115	29
Financial Instruments	58	-	58

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.

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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):

	June 30, 2016		December 31, 2015	
	Book Value	Fair Value	Book Value	Fair Value
Non-Current Debt	8,393	8,155	4,033	3,903

NOTE 9 - COVENANTS, SURETIES AND GUARANTEES PROVIDED

- In April 2016, Grupo Clarín became the guarantor for up to Ps. 65 million to secure certain financial obligations of AGEA with Banco Ciudad de Buenos Aires.
- During this period, the Company became the guarantor of a loan granted by Banco Santander Río S.A. to GCGC. The guarantee will be effective until January 2019.

NOTE 10 - RESERVES, RETAINED EARNINGS AND DIVIDENDS**a. Grupo Clarín**

On April 25, 2016, at the Annual Ordinary Shareholders' Meeting of the Company, the shareholders decided, among other things, to appropriate the net income for the fiscal year 2015, which amounted to Ps. 1,884,929,369, as follows: (i) Ps. 300,000,000 to the distribution of dividends payable within 30 days as from the date of the Shareholders' Meeting and (ii) Ps. 1,584,929,369 to the reserve for future dividends.

b. Cablevisión

On April 20, 2016, at the Annual General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión, its shareholders decided to distribute cash dividends in the amount of Ps. 750 million, payable in Argentine Pesos or US Dollars within a term of thirty days as from the date of such Shareholders' Meeting and delegated on the Board of Directors of Cablevisión the power to establish the time and payment method. Of that amount, approximately Ps. 300.1 million corresponds to the non-controlling interest in this company. As of the date of these financial statements, Cablevisión paid Ps. 749.7 million of distributed dividends.

Also, on June 30, 2016, at the General Extraordinary Shareholders' Meeting of Cablevisión, its shareholders decided to distribute cash dividends in the amount of Ps. 749 million, payable within thirty days as from the date on which the Shareholders' Meeting was held. Of that amount, approximately Ps. 299.6 million corresponds to the non-controlling interest in this company. On July 27, 2016, the above mentioned dividends were made available to shareholders.

At the General Extraordinary Shareholders' Meeting held on January 12, 2016, the shareholders of Cablevisión decided, among other things, i) to cancel 207,157 Class B common book-entry treasury shares with a nominal value of Ps. 1 representing 0.1% of the capital stock and votes of that Company; and, consequently, to reduce the capital stock by Ps. 207,157, (ii) to ratify the amendment of Section 4 of the Bylaws approved by the shareholders at the Extraordinary Shareholders' Meeting held on June 30, 2014,

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which, among other things, had amended the nominal value of shares from Ps. 1 to Ps. 10,000, and (iii) to delegate on the Board of Directors the power to determine and establish the time, form and conditions of the shares representing the new capital stock to be issued, as well as the payment of the fractions, if any.

In light of the above, on June 29, 2016, the Board of Directors of Cablevisión completed the implementation of the payment in cash of the fractions and change in the nominal value and, therefore, the capital stock of Cablevisión is now of Ps. 197,300,000, represented by 19,730 shares, of which i) 15,785 are Class A book entry shares, with nominal value of Ps. 10,000 each and entitled to 1 vote per share, and ii) 3,945 are Class B book entry shares, with nominal value of Ps. 10,000 each and entitled to 1 vote per share. At the same meeting of the Board of Directors, new shares were issued.

Subsequently, at the General Extraordinary Shareholders' Meeting held on June 30, 2016, the shareholders decided to capitalize in full the following accounts: (i) Paid-in Capital, in the amount of Ps. 134,234,500, (ii) merger surplus, in the amount of Ps. 2,894,151 and (iii) the partial capitalization of the "Optional Reserve to Maintain the Company's Level of Capital Expenditures and its Current Solvency Level" in the amount of Ps. 865,571,349, thus increasing the capital stock from Ps. 197,300,000 to Ps. 1,200,000,000 through the issuance of 100,270 new common book-entry shares with nominal value of Ps. 10,000 and entitled to 1 vote per share, of which 80,221 will be Class A common book-entry shares and 20,049 will be Class B common book-entry shares.

NOTE 11 - INTERESTS IN SUBSIDIARIES AND AFFILIATES

- a. On September 10, 2015, the Board of Directors of Cablevisión approved the assignment of the rights and obligations held by Grupo Clarín under an offer it had submitted to NII Mercosur Telecom, S.L.U. and NII Mercosur Móviles, S.L.U. (hereinafter, the "Sellers") for the acquisition of 49% of the capital stock of NEXTEL COMMUNICATIONS ARGENTINA S.R.L. and an option to acquire, together with its subsidiary Televisión Dirigida S.A., subject to certain conditions -among them, the regulatory approvals- 51% of the remaining capital stock. The price of the transaction was USD 165 million (out of this amount, USD 80 million accounts for 49% and USD 85 million accounts for 51%) plus the right to collect an additional amount of up to USD 13 million subject to the fulfillment of certain conditions. The offer submitted by Grupo Clarín was subject to the acceptance of the Sellers. On September 11, 2015, the Sellers accepted the offer submitted by Grupo Clarín and, on the same date, the Sellers accepted the assignment of the rights under such offer in favor of Cablevisión, offering Cablevisión the acquisition of 49 % of the capital stock of Nextel and the option to acquire the remaining 51%. In order to guarantee the rights and obligations under the offer, the capital stock owned by NII Mercosur Móviles, S.L.U. was pledged (subject to registration with the Public Registry of Commerce). The transaction was executed on September 14, 2015 with the aggregate payment by Cablevisión and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million guarantee fund with the balance to cover any potential liabilities of Nextel (this fund was set up on October 7, 2015). In addition, upon the fulfillment of certain conditions precedent, on October 1, 2015, Cablevisión paid to the Sellers the additional amount of USD 12.73 million. On June 3, 2016, the assignment of 49% of the capital stock of Nextel in favor of Cablevisión was registered with the IGJ. Under the terms of the offer, Nextel will continue to be controlled and operated by the Sellers until the option to acquire the remaining 51% of the capital stock has been exercised. On January 27, 2016, Cablevisión and its subsidiary Televisión Dirigida S.A. decided to exercise the option to acquire the remaining 51% of the capital stock and votes of Nextel, and, consequently, Cablevisión became the holder of 51.4% of the capital stock and votes of Nextel and Televisión Dirigida S.A. became the holder of the remaining 48.6%. To such effect, on the same date, Nextel's management took notice of the release of the pledge that had been set up to guarantee the rights and obligations under the offer. On July 26, 2016, the IGJ registered the assignment of the remaining 51% of the capital stock (see Note 7.4.4.).

As of March 31, 2016, Cablevisión concluded the process of allocating the purchase price of 51% of the capital stock of Nextel and calculated a gain from this acquisition of Ps. 114.1 million disclosed under the item "Income from Acquisition of Companies" of the Consolidated Statement of Comprehensive Income as of March 31, 2016, mainly due to the fact that the valuation of its identifiable assets, liabilities and contingent liabilities in proportion to its equity interest exceeds the acquisition cost.

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The following is the additional information on business combinations required by IFRS.

The assets and liabilities recognized as a result of the acquisition are the following (in millions of Ps.):

	<u>As of Acquisition Date</u>
Cash and Banks	1,140.8
Other Investments	928.7
Trade Receivables	386.9
Other Receivables	101.2
Inventories	222.2
Other Non-Current Receivables	21.3
Deferred Tax Assets	167.2
Property, Plant and Equipment	650.9
Intangible Assets	43.3
Trade Payables and Other	(484.2)
Taxes Payable	(176.9)
Other Debts	(144.2)
Provisions and Other	(387.8)
Identifiable assets acquired, net	2,469.4
Less investment in associate as of December 31, 2015	(1,201.0)
Acquisition of Associates	(114.1)
Net Acquired Assets	(1) 1,154.3

(1) Receivables from the call option.

On June 30, 2016, the controlled company Televisión Dirigida S.A. performed the transfer of: (i) 392,774,929 membership interests with nominal value of Ps. 1 each and entitled to one vote per membership interest, representing 48.5% of the capital stock and votes of Nextel, in favor of Cablevisión; and (ii) 1,000,000 membership interests with nominal value of Ps. 1 each and entitled to one vote per membership interest, representing 0.1% of the capital stock and votes of Nextel, in favor of PEM S.A. As a consequence of the above-mentioned assignments of membership interests, Cablevisión holds a 99.9% interest in the capital stock and votes of Nextel, and the remaining 0.1% is held by PEM S.A. These assignments have not yet been registered with the IGJ.

- b. 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 relevant. 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.

Pursuant to accounting standards, Cablevisión has one year as from the date of acquisition of the above-mentioned companies to allocate the cost of acquisition and calculate goodwill in proportion to its equity interest.

- c. On June 30, 2016, the Company, as the sole shareholder, formed a new subsidiary, "GCSA Equity, LLC".

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.

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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 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 13 – EXTINCTION OF THE NOTES ISSUED BY AGEA

In connection with Note 24 to the consolidated financial statements as of December 31, 2015, on April 4, 2016, the CNV revoked the authorizations that had been granted to AGEA for the public offering of its Notes, which entails the delisting of that company.

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. On August 8, 2016, a subsidiary of CMD, Electro Punto Net S.A., executed an asset transfer agreement, whereby it acquired from Meroli Hogar S.A. certain assets related to the business of online retail and sale of home appliances and electronic products in the Province of Córdoba. The transaction includes negative covenants to be fulfilled by the shareholders of Meroli Hogar S.A. The aggregate amount of these transactions is of USD 3.5 million, of which USD 2.75 million is payable on the date of execution of the agreement and the rest is payable on the first anniversary of the execution date.

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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 August 10, 2016.

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JORGE CARLOS RENDO
Chairman

SUPPLEMENTARY FINANCIAL INFORMATION

As of June 30, 2016

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 year, the following were the most significant:

In the Printing and Publishing segment, during the year, the Company continued to publish its traditional newspapers and magazines, focusing on strengthening its editorial offering through the launch of new collectible and optional products. In June, La Voz del Interior relaunched its printed version with an innovative format, which is more reader-friendly. In addition, at the end of 2015, the Company launched Mui.com.ar. Its contents and editorial approach are targeted at popular audiences. In this segment, since the connection with the readers is better in digital format than in printed format, the Company decided to discontinue the printed format and devote its efforts to targeting an audience that will increasingly turn to digital mobile devices, which will be faster and more accessible.

In the Broadcasting and Programming Segment, El Trece maintained the highest audience share. 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 the return of Showmatch, as well as fiction shows such as "Los ricos no piden permiso" and "Silencios de Familia" and the newscast Telenoche. Noticiero Trece, El Diario de Mariana, Este es el Show and Esposa Jóven delivered good results in the afternoon. The show "Periodismo para Todos", the lunches and dinners hosted by Mirtha Legrand, the general interest show "MDQ Para todo el mundo" and the comeback to El Trece of 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) and Digital Video Recording (DVR) 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.

In addition, in the Cable Television, Internet Access and Telephony Services segment, on September 10, 2015, the Board of Directors of Cablevisión approved the assignment of the rights and obligations held by Grupo Clarín under an offer it had submitted to NII Mercosur Telecom, S.L.U. and NII Mercosur Móviles, S.L.U. (hereinafter, the "Sellers") for the acquisition of 49% of the capital stock of NEXTEL COMMUNICATIONS ARGENTINA S.R.L. and an option to acquire, together with the subsidiary of Cablevisión, Televisión Dirigida S.A., subject to certain conditions -among them, the regulatory approvals-, 51% of the remaining capital stock. The price of the transaction was USD 165 million (out of this amount, USD 80 million accounts for 49% and USD 85 million accounts for 51%) plus the right to collect an additional amount of up to USD 13 million subject to the fulfillment of certain conditions. The offer submitted by Grupo Clarín was subject to the acceptance of the Sellers. On September 11, 2015, the Sellers accepted the offer submitted by Grupo Clarín and, on the same date, the Sellers accepted the assignment of the rights under such offer in favor of Cablevisión, offering Cablevisión the acquisition of 49 % of the capital stock of Nextel and the option to acquire the remaining 51%. In order to guarantee the rights and obligations under the offer, the capital stock owned by NII Mercosur Móviles, S.L.U. was pledged (subject to registration with the Public Registry of Commerce). The transaction was executed on September 14, 2015 with the aggregate payment by Cablevisión and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million

See our report dated

August 10, 2016

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.

Registration number with the IGJ: 1,669,733

guarantee fund with the balance to cover any potential liabilities of Nextel (this fund was set up on October 7, 2015). In addition, upon the fulfillment of certain conditions precedent, on October 1, 2015, Cablevisión paid to the Sellers the additional amount of USD 12.73 million. On June 3, 2016, the assignment of 49% of the capital stock of Nextel in favor of Cablevisión was registered with the IGJ. Under the terms of the offer, Nextel will continue to be controlled and operated by the Sellers until the option to acquire the remaining 51% of the capital stock has been exercised. On January 27, 2016, Cablevisión and its subsidiary Televisión Dirigida S.A. decided to exercise the option to acquire the remaining 51% of the capital stock and votes of Nextel, and, consequently, Cablevisión became the holder of 51.4% of the capital stock and votes of Nextel and Televisión Dirigida S.A. became the holder of the remaining 48.6%. To such effect, on the same date, Nextel's management took notice of the release of the pledge that had been set up to guarantee the rights and obligations under the offer. On July 26, 2016, the IGJ registered the assignment of the remaining 51% of the capital stock. Through ENACOM Resolution No. 280/2016, served on Cablevisión on March 8, 2016, the Enforcement Authority authorized the changes in the equity interests of Nextel in favor of Cablevisión S.A. Therefore, these Financial Statements include the operations of Nextel.

On June 30, 2016, the controlled company Televisión Dirigida S.A. performed the transfer of: (i) 392,774,929 membership interests with nominal value of Ps. 1 each and entitled to one vote per membership interest, representing 48.5% of the capital stock and votes of Nextel, in favor of Cablevisión; and (ii) 1,000,000 membership interests with nominal value of Ps. 1 each and entitled to one vote per membership interest, representing 0.1% of the capital stock and votes of Nextel, in favor of PEM S.A. As a consequence of the above-mentioned assignments of membership interests, Cablevisión holds a 99.9% interest in the capital stock and votes of Nextel, and the remaining 0.1% is held by PEM S.A. These assignments have not yet been registered with the IGJ.

d) 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 relevant. 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.

In addition, in June 2016, Cablevisión issued Notes (the "Notes") subject to the public offering regime authorized by the CNV for USD 500 million, due 2021 at a fixed interest rate of 6.5%. The Notes aroused so much interest among investors that they were oversubscribed more than 6 times. 80% of the proceeds were used to refinance liabilities (lowering the average interest rate) and the remaining 20% are being used by the company for strategic investments, both in network quality and reach.

See our report dated

August 10, 2016

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Chairman

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.

	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Non-current assets	19,906,867	11,618,059	10,146,657	8,631,832	7,977,244
Current assets	11,926,459	8,397,382	5,492,379	3,806,965	3,101,344
Assets held for sale	-	170,725	139,383	-	-
Total Assets	31,833,325	20,186,166	15,778,419	12,438,796	11,078,588
Equity of the Parent Company	8,210,153	6,161,001	4,820,666	4,204,326	3,741,341
Equity of Non-Controlling Interests	3,408,381	2,622,898	1,808,555	1,408,310	1,160,913
Total Equity	11,618,534	8,783,900	6,629,222	5,612,636	4,902,255
Non-current liabilities	9,535,507	4,514,333	3,848,319	3,123,944	3,207,504
Current liabilities	10,679,285	6,887,933	5,300,879	3,702,217	2,968,829
Total Liabilities	20,214,791	11,402,267	9,149,198	6,826,160	6,176,333
Total Equity and Liabilities	31,833,325	20,186,166	15,778,419	12,438,796	11,078,588

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.

	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Operating income/loss from continuing operations (1)	4,493,747	3,133,672	1,554,924	881,263	900,926
Financial Results	(1,566,435)	(714,100)	(1,163,873)	(564,808)	(347,384)
Income from Acquisition of Companies	114,093	-	-	-	-
Equity in Earnings from Affiliates and Subsidiaries	74,089	53,144	18,237	(4,322)	15,808
Other Income and Expense, net	15,401	8,345	3,431	2,994	3,758
Income/loss from continuing operations before income tax and tax on assets	3,130,894	2,481,060	412,719	315,128	573,108
Income Tax and Tax on Assets	(1,068,002)	(803,998)	(111,533)	(124,975)	(209,208)
Income for the period from continuing operations	2,062,892	1,677,062	301,185	190,153	363,900
Net income for the period from discontinued operations	-	-	6,535	8,691	36,289
Income for the period	2,062,892	1,677,062	307,721	198,844	400,190
Other Comprehensive Income for the period	61,433	(219,899)	259,832	58,051	32,401
Total Comprehensive Income for the Period	2,124,325	1,457,163	567,552	256,894	432,591

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

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Chairman

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.

	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Cash provided by (used in) Operating Activities	3,082,510	2,625,096	2,025,035	949,034	929,354
Cash provided by (used in) Investment Activities	(5,406,810)	(1,553,452)	(1,492,493)	(809,097)	(551,553)
Cash provided by (used in) Financing Activities	1,460,263	2,033	(632,327)	(355,761)	(380,791)
Total Cash provided (used) for the Year	(864,037)	1,073,677	(99,784)	(215,824)	(2,991)
Financial Results Generated By Cash And Cash Equivalents	697,369	261,434	194,831	72,783	38,301
Total Changes in Cash	(166,669)	1,335,110	95,047	(143,041)	35,310

5. STATISTICAL DATA

	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Cable TV subscribers ^{(1) (5)}	3,522,074	3,510,790	3,519,197	3,452,029	3,513,341
Cable TV homes passed ^{(2) (5)}	7,815,445	7,732,236	7,511,367	7,455,787	7,592,445
Cable TV churn ratio ⁽⁵⁾	14.04	12.9	13.4	13.0	13.0
Internet access subscribers ^{(1) (5)}	2,101,425	1,923,843	1,786,746	1,616,425	1,432,826
Newspaper circulation ⁽³⁾	242,286	266,708	283,210	304,895	318,208
Canal 13 audience share					
Prime Time ⁽⁴⁾	31.8	36.3	31.5	34.9	37.0
Total Time ⁽⁴⁾	30.1	29.3	25.4	27.8	30.0

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

⁽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.

⁽⁵⁾ As of June 30, 2016, 2015, 2014 and 2013 it does not include the data corresponding to Cablevisión's subsidiaries in Paraguay.

6. RATIOS

	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Liquidity (current assets / current liabilities)	1.12	1.22	1.04	1.03	1.04
Solvency (equity / total liabilities)	0.57	0.77	0.72	0.82	0.79
Capital assets (non-current assets / total assets)	0.63	0.58	0.64	0.69	0.72

See our report dated

August 10, 2016

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

JORGE CARLOS RENDO
Chairman

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 local market, both in the production and distribution 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, enhance its cable television services, continue with the expansion of its broad band services, and grow in the telephony business.

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.

See our report dated

August 10, 2016

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.

RATIFICATION OF PRINTED SIGNATURES

We hereby ratify our signatures appearing in printed form on the preceding sheets from page 1 to 46 in Grupo Clarín S.A.'s interim condensed consolidated financial statements for the six-month period ended June 30, 2016.

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

Free translation from the original prepared in Spanish

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Grupo Clarín S.A.
Legal domicile: Piedras 1743
Autonomous City of Buenos Aires
CUIT No 30-70700173-5

Introduction

We have reviewed the attached interim condensed consolidated financial statements of Grupo Clarín S.A. and its controlled subsidiaries (the "Company") which comprise the consolidated balance sheet at June 30, 2016, the consolidated statements of comprehensive income for the six and three-month period ended at June 30, 2016 and the consolidated statements of changes in equity and of cash flows for the six-month period ended on that date and selected explanatory notes.

The balances and other information corresponding to fiscal year 2015 and its interim periods are an integral part of the above-mentioned financial statements and, therefore, should be considered in relation to those financial statements.

Management's responsibility

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE, for its Spanish acronym) as professional accounting standards and incorporated by the Argentine Securities Commission (CNV, for its Spanish acronym) to its regulations, as approved by the International Accounting Standards Board (IASB) and, therefore, is responsible for the preparation and presentation of the interim condensed consolidated financial statements mentioned in the first paragraph in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established by International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as review standard in Argentina by Technical Resolution No. 33 of the FACPCE as it was approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries to the Company's personnel responsible for preparing the information included in the interim condensed consolidated financial statements and applying analytical and other review procedures. The scope of this review is substantially less than an audit conducted in accordance with International Standards on Auditing, and consequently, a review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated balance sheet, consolidated comprehensive income and consolidated cash flows of the Company.

Conclusion

Based on our review, nothing has come to our attention that caused us to believe that the interim condensed consolidated financial statements mentioned in the first paragraph of this report, are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Emphasis of Matter

Without modifying our conclusion, we would like to emphasize the information contained in Note 6.1.a. to the interim condensed consolidated financial statements, which describes the situation related to the resolution issued by the regulator to calculate the monthly fee payable by the users of cable television services, whose decision cannot be foreseen to date.

Report on compliance with current regulations

In accordance with current regulations, in respect to Grupo Clarín S.A., we report that:

- a) the interim condensed consolidated financial statements of Grupo Clarín S.A. have been transcribed to the “Inventory and Balance Sheet” book and comply with the General Associations Law and pertinent resolutions of the Argentine Securities Commission, as regards those matters that are within our competence;
- b) the interim condensed parent company only financial statements of Grupo Clarín S.A. arise from accounting records kept in all formal respects in conformity with legal provisions;
- c) we have read the supplementary financial information, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at June 30, 2016, the debt accrued in favor of the (Argentine) Integrated Social Security System of Grupo Clarín S.A. according to the Company’s accounting records and calculations amounted to \$3,455,908.20, none of which was claimable at that date.

Autonomous City of Buenos Aires, August 10, 2016

PRICE WATERHOUSE & CO. S.R.L.

by (Partner)
Carlos A. Pace



GRUPO CLARÍN S.A.

Interim Condensed Parent Company Only Financial Statements

for the six-month period ended June 30, 2016,
presented on a comparative basis.

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

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

GRUPO CLARÍN S.A.
PARENT COMPANY ONLY STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015,
AND FOR THE THREE-MONTH PERIODS BEGINNING ON APRIL 1 AND
ENDED ON JUNE 30, 2016 AND 2015
In Argentine Pesos (Ps.)

	Notes	June 30, 2016	June 30, 2015	April 1, 2016 through June 30, 2016	April 1, 2015 through June 30, 2015
Equity in Earnings from Affiliates and Subsidiaries	4.3	1,321,291,258	1,030,530,311	629,564,687	552,940,132
Management fees		88,950,000	71,700,000	44,475,000	35,850,000
Administrative Expenses (1)	5	(117,159,306)	(90,108,982)	(58,795,230)	(43,179,123)
Other Income and Expense, net		(8,515,395)	(9,420,209)	(4,933,191)	(4,414,892)
Financial Costs	4.9	(58,789,954)	-	(15,592,414)	-
Other Financial Results, net	4.10	3,384,208	31,643,126	1,307,891	23,365,854
Financial Results		(55,405,746)	31,643,126	(14,284,523)	23,365,854
Income before Income Tax and Tax on Assets		1,229,160,811	1,034,344,246	596,026,743	564,561,971
Income Tax and Tax on Assets		(1,407,516)	(957)	(983,276)	541,620
Income for the period		<u>1,227,753,295</u>	<u>1,034,343,289</u>	<u>595,043,467</u>	<u>565,103,591</u>
Other Comprehensive Income					
Items which may be reclassified to net income					
Variation in Translation Differences of Foreign Operations from Continuing Operations		49,449,010	(106,364,260)	7,695,834	(15,565,300)
Other Comprehensive Income for the period		49,449,010	(106,364,260)	7,695,834	(15,565,300)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,277,202,305</u>	<u>927,979,029</u>	<u>602,739,301</u>	<u>549,538,291</u>

- (1) Includes depreciation of property, plant and equipment and amortization of intangible assets in the amount of Ps. 415,862 and Ps. 419,140 for the six-month periods ended June 30, 2016 and 2015, respectively.

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

Signed for identification purposes
with the report dated August 10, 2016

See our report dated
August 10, 2016
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
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

GRUPO CLARÍN S.A.
PARENT COMPANY ONLY BALANCE SHEET
AS OF JUNE 30, 2016 AND DECEMBER 31, 2015
 In Argentine Pesos (Ps.)

	Notes	June 30, 2016	December 31, 2015
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4.1	1,670,277	1,258,776
Intangible Assets	4.2	74,449	107,333
Deferred Tax Assets		31,987,738	31,599,563
Investments in unconsolidated affiliates	4.3	8,713,285,415	7,613,659,094
Other Receivables		30,000	30,000
Total Non-Current Assets		8,747,047,879	7,646,654,766
CURRENT ASSETS			
Other Receivables		225,471,796	154,514,369
Other Investments	4.4	1,872,221	19,848,419
Cash and Banks		3,579,614	12,193,114
Total Current Assets		230,923,631	186,555,902
Total Assets		8,977,971,510	7,833,210,668
EQUITY (as per the corresponding statement)			
Shareholders' Contributions		2,010,638,503	2,010,638,503
Other items		641,692,648	592,243,638
Retained Earnings		5,557,821,827	4,630,068,532
Total Equity		8,210,152,978	7,232,950,673
LIABILITIES			
NON-CURRENT LIABILITIES			
Other Liabilities	4.3	320,648,628	228,553,387
Total Non-Current Liabilities		320,648,628	228,553,387
CURRENT LIABILITIES			
Debt		386,036,051	287,999,976
Taxes Payable		5,756,200	11,239,631
Other Liabilities		22,532,430	25,837,958
Trade Payables and Other		32,845,223	46,629,043
Total Current Liabilities		447,169,904	371,706,608
Total Liabilities		767,818,532	600,259,995
Total Equity and Liabilities		8,977,971,510	7,833,210,668

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

Signed for identification purposes
with the report dated August 10, 2016

See our report dated
August 10, 2016
PRICE WATERHOUSE & CO. S.R.L.

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JORGE CARLOS RENDO
Chairman

GRUPO CLARÍN S.A.
PARENT COMPANY ONLY STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
In Argentine Pesos (Ps.)

	Equity attributable to Shareholders of the Parent Company									
	Shareholders' Contributions				Other items		Retained Earnings			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)	Accumulated Results	
Balances as of January 1 st , 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
Set-up of reserves (Note 13.a.)	-	-	-	-	-	-	-	1,584,929,369	(1,584,929,369)	-
Dividend Distribution (Note 13.a.)	-	-	-	-	-	-	-	-	(300,000,000)	(300,000,000)
Income for the period	-	-	-	-	-	-	-	-	1,227,753,295	1,227,753,295
Other Comprehensive Income:										
Variation in Translation Differences of Foreign Operations	-	-	-	-	49,449,010	-	-	-	-	49,449,010
Balances as of June 30, 2016	287,418,584	309,885,253	1,413,334,666	2,010,638,503	645,346,415	(3,653,767)	119,460,767	4,210,607,765	1,227,753,295	8,210,152,978
Balances as of January 1 st , 2015	287,418,584	309,885,253	1,413,334,666	2,010,638,503	477,454,394	(209,686)	119,460,767	2,071,576,709	804,101,687	5,483,022,374
Set-up of reserves	-	-	-	-	-	-	-	554,101,687	(554,101,687)	-
Dividend Distribution	-	-	-	-	-	-	-	-	(250,000,000)	(250,000,000)
Income for the period	-	-	-	-	-	-	-	-	1,034,343,289	1,034,343,289
Other Comprehensive Income:	-	-	-	-	-	-	-	-	-	-
Variation in Translation Differences of Foreign Operations	-	-	-	-	(106,364,260)	-	-	-	-	(106,364,260)
Balances as of June 30, 2015	287,418,584	309,885,253	1,413,334,666	2,010,638,503	371,090,134	(209,686)	119,460,767	2,625,678,396	1,034,343,289	6,161,001,403

(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 August 10, 2016

See our report dated
August 10, 2016
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
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

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

GRUPO CLARÍN S.A.
PARENT ONLY STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
 In Argentine Pesos (Ps.)

	June 30, 2016	June 30, 2015
CASH PROVIDED BY OPERATING ACTIVITIES		
Income for the period	1,227,753,295	1,034,343,289
Income Tax and Tax on Assets	1,407,516	957
Accrued Interest, net	10,423,972	(1,355,515)
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	415,862	419,140
Exchange Differences and Other Financial Results	41,799,531	(32,815,154)
Equity in Earnings from Affiliates and Subsidiaries	(1,321,291,258)	(1,030,530,311)
Other Income and Expense	(529,596)	-
Changes in Assets and Liabilities:		
Other Receivables	(26,432,349)	(26,682,474)
Trade Payables and Other	(14,307,946)	(3,711,739)
Taxes Payable	(1,762,855)	4,070,273
Other Liabilities	(3,434,786)	(13,902,289)
Income Tax and Tax on Assets Payments	(903,130)	(1,061,547)
Net Cash Flows used in Operating Activities	<u>(86,861,744)</u>	<u>(71,225,370)</u>
CASH PROVIDED BY INVESTMENT ACTIVITIES		
Dividends collected	318,159,209	155,959,447
Payment for Acquisition of Investments	(10,000)	-
Capital contributions in subsidiaries	-	(10,000,000)
Acquisition of Property, Plant and Equipment, net	(794,479)	(159,091)
Loans and interest collected	1,109,336	-
Collections of Placements of Forward Instruments	70,102	31,610,543
Net Cash Flows provided by Investment Activities	<u>318,534,168</u>	<u>177,410,899</u>
CASH PROVIDED BY FINANCING ACTIVITIES		
Loans obtained	35,425,000	-
Payment of Interest	(181,428)	-
Payment of Dividends	(300,000,000)	(125,000,000)
Net Cash Flows used in Financing Activities	<u>(264,756,428)</u>	<u>(125,000,000)</u>
FINANCING RESULTS GENERATED BY CASH AND CASH EQUIVALENTS		
	<u>6,494,306</u>	<u>33,937,925</u>
(Decrease) / Increase in cash flow, net	(26,589,698)	15,123,454
Cash and Cash Equivalents at the Beginning of the Year	32,041,533	34,976,232
Cash and Cash Equivalents at the End of the Period	<u>5,451,835</u>	<u>50,099,686</u>

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

Signed for identification purposes
with the report dated August 10, 2016

See our report dated
August 10, 2016
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
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JORGE CARLOS RENDO
Chairman

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Signed for identification purposes
with the report dated August 10, 2016

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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

GRUPO CLARÍN S.A.
NOTES TO THE INTERIM CONDENSED PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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.

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

2.1 Basis for the preparation of these financial statements

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 ("TF") 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 six-month period ended June 30, 2016, 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 of December 31, 2016. 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.

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(Partner)
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GRUPO CLARÍN S.A.

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These interim condensed parent company only financial statements should be read together with the Company's annual financial statements as of December 31, 2015 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, 2015.

The attached information, approved by the Board of Directors at the meeting held on August 10, 2016, 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 June 30, 2016:

- 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.

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.

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:

	June 30, 2016	June 30, 2015
Cash and Banks	3,579,614	4,697,148
Short-Term Investments	1,872,221	45,402,538
Cash and Cash Equivalents	5,451,835	50,099,686

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.

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GRUPO CLARÍN S.A.

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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, 2015, 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	Balance as of June 30, 2016
Furniture and Fixtures	574,796	76,023	-	650,819
Audio and Video	153,062	52,996	-	206,058
Telecommunication Equipment	284,337	19,190	-	303,527
Computer Equipment	6,770,773	646,270	-	7,417,043
Total as of June 30,	7,782,968	794,479	-	8,577,447
Total as of June 30,	7,215,278	159,091	-	7,374,369

Main Account	Depreciation					Net Book Value as of June 30, 2016	Net Book Value as of December 31, 2015
	Useful Life (in years)	Balance at the Beginning	Retirements	For the period	Balance as of June 30, 2016		
Furniture and Fixtures	10	315,762	-	27,357	343,119	307,700	259,035
Audio and Video	5	120,247	-	6,261	126,508	79,550	32,815
Telecommunication Equipment	5	167,935	-	18,925	186,860	116,667	116,401
Computer Equipment	3	5,920,248	-	330,435	6,250,683	1,166,360	850,525
Total as of June 30,		6,524,192	-	382,978	6,907,170	1,670,277	1,258,776
Total as of June 30,		5,793,322	-	362,312	6,155,634	1,218,735	-

4.2 - Intangible Assets

Main Account	Historical value			
	Balance at the Beginning	Additions	Retirements	Balance as of June 30, 2016
Software	406,468	-	-	406,468
Total as of June 30,	406,468	-	-	406,468
Total as of June 30,	406,468	-	-	406,468

Main Account	Amortization					Net Book Value as of June 30, 2016	Net Book Value as of December 31, 2015
	Amortization Period (in years)	Balance at the Beginning	Retirements	For the period	Balance as of June 30, 2016		
Software	3	299,135	-	32,884	332,019	74,449	107,333
Total as of June 30,		299,135	-	32,884	332,019	74,449	107,333
Total as of June 30,		208,866	-	56,828	265,694	140,774	-

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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	Quantity	Value recorded as of June 30, 2016 (1)	Value recorded as of December 31, 2015 (1)	Main business activity	Date	Capital Stock	Net Income	Equity	Interest (%)
Non-Current Investments											
SHOSA ⁽³⁾	Common	Ps. 1.00	123,341,081	2,545,624,641	2,096,242,048	Investing and financing	06.30.2016	127,153,997	636,676,251	3,056,894,888	97.0%
Goodwill				495,735,087	495,735,087						
Vistone ⁽³⁾	Common	Ps. 1.00	322,528,386	2,137,414,204	1,812,180,848	Investing and financing	06.30.2016	339,365,203	444,393,651	2,180,883,199	95.0%
VLG ⁽³⁾	-	-	-	425,086,252	389,870,737	Investing and financing	06.30.2016	3,187,786,990	1,005,701,486	4,645,109,215	11.0%
Goodwill				100,503,301	100,503,301						
CVB ⁽³⁾	Common	Ps. 1.00	63,298,286	499,241,112	417,745,017	Investing and financing	06.30.2016	66,628,353	108,738,096	507,815,156	95.0%
CLC ⁽³⁾	Common	Ps. 1.00	19,189,422	126,330,409	104,185,145	Investing and financing	06.30.2016	19,189,422	24,159,716	123,090,822	100%
Pem S.A.	Common	Ps. 1.00	1	2	2	Investing	06.30.2016	13,558,511	10,360,753	59,333,015	0.00001%
AGEA	Common	Ps. 1.00	732,274,126	908,423,336	981,593,719	Publishing and Printing	06.30.2016	748,394,151	(77,079,692)	948,290,581	97.9%
AGR	Common	Ps. 1.00	13,454,128	3,673,457	12,267,500	Printing	06.30.2016	172,065,295	(55,630,865)	86,508,410	7.8%
IESA	Common	Ps. 1.00	52,812,454	206,365,610	47,749,185	Investing and financing	06.30.2016	55,012,857	30,067,482	265,078,425	96.0%
CIMECO	Common	Ps. 1.00	37,412,958	46,869,375	58,837,707	Investing and financing	06.30.2016	180,479,453	11,079,975	360,384,136	20.7% ⁽⁴⁾
Goodwill				58,837,707	314,895						
CMI	Common	Ps. 1.00	98	329,977	671,142,681	Advertising	06.30.2016	12,000	1,846,760	40,405,343	0.8%
ARTEAR	Common	Ps. 1.00	53,186,347	846,969,129	178,927,125	Broadcasting Services	06.30.2016	54,859,553	181,797,633	928,336,941	97.0% ⁽²⁾
Radio Mitre	Common	Ps. 1.00	63,555,121	110,449,823	87,636,324	Broadcasting Services	06.30.2016	65,413,136	23,941,957	116,513,369	97.2%
GC Services	-	-	-	34,186,639	29,610,115	Investing and financing	06.30.2016	19,075,942	4,576,524	34,186,639	100%
GCGC	Common	Ps. 1.00	30,291,285	44,132,394	30,848,312	Services	06.30.2016	30,291,285	12,870,955	44,132,393	100%
CMD	Common	Ps. 1.00	105,351,247	51,338,866	63,576,405	Investing and services	06.30.2016	132,313,401	(19,671,628)	123,772,228	79.6%
GCSA Investments	-	-	-	39,408,749	-	Investing and financing	06.30.2016	306	268,239,460	30,886,592	100%
GC Minor	Common	Ps. 1.00	19,598,808	32,365,345	34,692,941	Investing and financing	06.30.2016	21,957,879	(2,404,546)	38,370,579	89.3%
Total				8,713,285,415	7,613,659,094						
Other Non-Current Liabilities											
GCSA Investments	-	-	-	-	228,553,387						
GCSA EQUITY	-	-	-	320,648,628	-	Investing and financing	06.30.2016	1,504	(320,650,132)	(320,648,628)	100%
Total				320,648,628	228,553,387						

⁽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%.

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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

Equity in Earnings from Affiliates and Subsidiaries

	June 30, 2016	June 30, 2015
SHOSA	590,463,759	433,673,708
Vistone	406,201,960	305,437,562
VLG	109,209,419	83,621,864
CVB	99,882,082	74,168,410
CLC	23,140,121	17,621,885
AGEA	(77,850,353)	(50,079,634)
IESA	29,166,489	26,175,323
CIMECO	2,492,093	4,532,771
GCSA Investments	(52,688,006)	(21,591,512)
ARTEAR	175,826,448	142,024,847
Radio Mitre	22,813,499	4,612,943
GCGC	12,700,863	12,091,575
CMD	(13,601,870)	(7,608,162)
GC Services	4,576,524	1,218,706
GCSA Equity	10	-
Other	(11,041,780)	4,630,025
	<u>1,321,291,258</u>	<u>1,030,530,311</u>

4.4 – Other Investments

	June 30, 2016	December 31, 2015
Money Market	<u>1,872,221</u>	<u>19,848,419</u>
.	<u>1,872,221</u>	<u>19,848,419</u>

4.5 - Assets and Liabilities in Foreign Currency

Items	June 30, 2016			December 31, 2015		
	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	14.940	16,285	USD 1,090		14,105
Other Investments	USD 125,316	14.940	1,872,221	USD 1,533,881		19,848,419
Cash and Banks	USD 79,699	14.940	1,190,705	USD 101,142		1,308,774
Total Current Assets			<u>3,079,211</u>			<u>21,171,298</u>
Total Assets			<u>3,079,211</u>			<u>21,171,298</u>
LIABILITIES						
CURRENT LIABILITIES						
Debt	USD 25,645,536	15.040	385,708,854	USD 22,065,151		287,729,565
Total Current Liabilities			<u>385,708,854</u>			<u>287,729,565</u>
Total Liabilities			<u>385,708,854</u>			<u>287,729,565</u>
USD - US Dollars						

4.6– Changes in Allowances

Items	Balance at the Beginning	Increases	Decreases	Balance as of June 30, 2016	Balances as of December 31, 2015
Deducted from Assets					
Valuation Allowance for Net Deferred Tax Assets	26,761,408	27,025,859 ⁽¹⁾	- ⁽¹⁾	53,787,267	26,761,408
Valuation Allowance for Tax on Assets	33,849,411	1,795,693 ⁽¹⁾	- ⁽¹⁾	35,645,104	33,849,411
Allowance for Goodwill Impairment	28,432,495	-	-	28,432,495	28,432,495
Total	<u>89,043,314</u>	<u>28,821,552</u>	<u>-</u>	<u>117,864,866</u>	<u>89,043,314</u>

⁽¹⁾ Charged to Income Tax and Tax on AssetsSigned for identification purposes
with the report dated August 10, 2016See our report dated
August 10, 2016
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.

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4.7 – Financial Costs

	June 30, 2016	June 30, 2015
Exchange Differences	(46,914,024)	-
Interest	(11,875,930)	-
	<u>(58,789,954)</u>	<u>-</u>

4.8 – Other Financial Results, net

	June 30, 2016	June 30, 2015
Exchange Differences and Other Financial Results	5,044,391	2,377,599
Results from transactions with securities and bonds	70,102	30,078,735
Interest	1,451,958	1,355,515
Other Taxes and Expenses	(3,182,243)	(2,168,723)
	<u>3,384,208</u>	<u>31,643,126</u>

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

Item	Administrative Expenses	
	June 30, 2016	June 30, 2015
Salaries, Social Security and Benefits to Personnel	69,345,758	51,457,948
Supervisory Committee's fees	824,999	712,500
Fees for services	29,062,583	24,882,113
Taxes, Duties and Contributions	4,636,646	3,724,499
Other personnel expenses	1,734,939	1,228,991
General expenses	149,177	72,780
IT expenses	816,656	810,388
Maintenance Expenses	1,160,319	1,106,803
Communication expenses	588,606	562,305
Advertising expenses	625,422	705,345
Travel Expenses	3,939,131	2,080,762
Stationery and Office Supplies	345,585	53,319
Depreciation of Property, Plant and Equipment	382,978	362,312
Amortization of Intangible Assets	32,884	56,828
Other expenses	3,513,623	2,292,089
Total	<u>117,159,306</u>	<u>90,108,982</u>

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PRICE WATERHOUSE & CO. S.R.L.CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee(Partner)

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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 June 30, 2016 and December 31, 2015.

Company	Item	June 30, 2016	December 31, 2015
<u>Subsidiaries</u>			
SHOSA	Other Receivables	-	2,432
	Debt	(245,143,314)	(170,189,828)
	Trade Payables and Other	-	(56,786)
VISTONE	Debt	(125,237,989)	(104,720,132)
CVB	Debt	(15,654,748)	(13,090,016)
CLC	Dividends Receivable	-	11,311
AGEA	Other Receivables	114,908,497	104,018,497
	Trade Payables and Other	(712,188)	(561,949)
ARTEAR	Other Receivables	181,835	4,658,835
	Trade Payables and Other	(67,343)	(201,838)
Radio Mitre	Other Receivables	3,025,823	669,635
GCGC	Other Receivables	10,741	10,741
	Trade Payables and Other	(2,421,956)	(25,924)
CMD	Other Receivables	2,190,839	2,952,480
	Trade Payables and Other	(114,674)	(114,674)
GC Services	Other Receivables	16,285	14,105
<u>Indirectly controlled</u>			
Cablevisión	Dividends Receivable	42,280,488	-
	Trade Payables and Other	(121,317)	(5,955)
PRIMA	Trade Payables and Other	(287,178)	(176,542)
AGR	Other Receivables	45,738,000	36,300,000
	Trade Payables and Other	(8,488)	(2,673)
UNIR	Other Receivables	4,236,158	1,158
	Trade Payables and Other	(2,360)	(2,360)
Impripost	Other Receivables	1,635,674	2,283,074
Ferias y Exposiciones S.A.	Other Receivables	128	128
TRISA	Trade Payables and Other	(1,582,114)	(1,029,947)
CIMECO	Dividends Receivable	3,371,903	-

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The following table details the transactions carried out by the Company with related parties for the six-month periods ended June 30, 2016 and 2015:

<u>Company</u>	<u>Item</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<u>Subsidiaries</u>			
AGEA	Management fees	9,000,000	9,000,000
	Advertising	(124,165)	(75,782)
ARTEAR	Management fees	28,800,000	22,200,000
Radio Mitre	Management fees	1,950,000	780,000
	Interest income from loans	-	917,260
GCGC	Services	(8,036,295)	(5,867,971)
CMD	Interest income from loans	294,497	-
SHOSA	Interest expense from loans	(7,801,935)	-
CVB	Interest expense from loans	(452,666)	-
VISTONE	Interest expense from loans	(3,621,329)	-
<u>Indirectly controlled</u>			
Cablevisión	Management fees	37,200,000	28,560,000
	Services	(123,639)	(61,752)
UNIR	Management fees	4,200,000	-
	Services	-	(1,951)
PRIMA	Services	(506,678)	(306,403)
AGR	Management fees	7,800,000	9,600,000
	Services	(4,806)	(2,614)
Impripost	Management fees	-	1,560,000

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

	<u>June 30, 2016</u>
<u>Investments</u>	
Without any established term ⁽¹⁾	1,872,221
	<u>1,872,221</u>
<u>Receivables</u>	
Without any established term ⁽²⁾	218,502,681
Due	
Within three months ⁽³⁾	6,999,115
	<u>6,999,115</u>
	<u>225,501,796</u>
<u>Liabilities</u> ⁽⁴⁾	
Without any established term	14,525,972
Due	
Within three months	17,630,432
More than six months and up to nine months	14,660,395
In more than nine months and up to twelve months	14,317,054
	<u>46,607,881</u>
	<u>61,133,853</u>

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	June 30, 2016
<u>Debt</u> ⁽⁵⁾	
Without any established term	23,478,927
Due	
In more than nine months and up to twelve months	362,557,124
	<u>362,557,124</u>
	<u>386,036,051</u>

⁽¹⁾ Bearing interest at variable rate. They include a balance of USD 125.316.⁽²⁾ They do not bear interest and include a balance of USD 1.090.⁽³⁾ Includes Ps. 1,898,337 which bears interest at a fixed rate, the remaining balance does not bear any interest.⁽⁴⁾ Do not accrue interest and do not include equity interests in the amount of Ps. 320,648,628 (see Note 4.3).⁽⁵⁾ Bearing interest at fixed rate. They include a balance of USD 25,645,536.**NOTE 8 - 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 financial statements as of December 31, 2015, in connection with the rest of the contingent situations described in those financial statements.

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. 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.

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

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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. 50/2010, 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 extend the effectiveness of 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 abovementioned 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 the Company to subscribers domiciled in the Province of Buenos Aires, are

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actually prepared at the headquarters located at Gral. Hornos 690, and/or at the Company'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 the Company 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 terms are 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.

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 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. Pursuant to the Antitrust Law and to Broadcasting Law No. 22,285, the transactions carried out on September 26, 2006 that resulted in an increase in the indirect interest the Company held in Cablevisión to 60%, Cablevisión's acquisition of 98.5% of Multicanal and 100% of Holding Teledigital, and Multicanal's acquisition of PRIMA (from PRIMA Internacional (now CMD)), required the authorization of the CNDC (validated by the SCI), and the COMFER. On October 4, 2006, the Company, Vistone, Fintech, VLG and Cablevisión, as purchasers, and AMI CV Holdings LLC, AMI Cable Holdings Ltd. and HMTF-LA Teledigital Cable Partners LP, as sellers, filed for the approval of the acquisition. After several requests for information, the SCI issued Resolution No. 257/07, with a prior opinion of the CNDC in favor of the approval of the above-mentioned transactions and after consulting the COMFER and the SECOM, which did not raise any objections. The Company was served notice in this respect on December 7, 2007. Such Resolution was appealed by five entities. As of the date of these financial statements, the CNDC has dismissed the five appeals filed against the above-mentioned resolution. Four of those entities filed direct appeals before the judicial branch, but they were all dismissed.

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On June 11, 2008, Cablevisión was served with a decision of the National Court of Appeals on Federal Civil and Commercial Matters revoking a decision rendered by the CNDC on September 13, 2007, whereby such agency had dismissed a claim filed by Gigacable S.A. prior to the December 7, 2007 decision referred to above. The Court of Appeals revoked CNDC's decision only with respect to matters relating to the conduct of Cablevisión and Multicanal prior to CNDC's authorization of the transactions on December 7, 2007, and ordered an investigation to determine whether a fine should be imposed on Cablevisión and Multicanal due to such conduct. As of the date of these financial statements, Cablevisión has filed its response, which is pending analysis by such agency.

- c. On December 15, 2008, the shareholders of Cablevisión approved the merger of Multicanal, Delta Cable S.A., Holding Teledigital, Teledigital, Televisora La Plata Sociedad Anónima, Pampa TV S.A., Construed S.A. and Cablepost S.A. into Cablevisión, whereby, effective as of October 1, 2008, Cablevisión, as surviving company, became the universal successor to all of the assets, rights and obligations of the merged companies.

Such process was registered with the IGJ under No. 9,448, Book 79 Volume – Stock Companies.

On September 8, 2009, Multicanal was served with CNDC Resolution No. 106/09, dated September 4, 2009, whereby the CNDC ordered an audit to articulate and harmonize the several aspects of Resolution No. 577/09 issued by the COMFER, whereby it had rejected the merger of Cablevisión and Multicanal, with Resolution No. 257/07 issued by the Secretariat of Domestic Trade. Resolution No. 106/09 also sets forth that the notifying companies shall not, from the enactment thereof and until the end of the audit and / or resolution of the CNDC, be able to remove or replace physical or legal assets.

On September 17, 2009 Judge Dr. Esteban Furnari of the National Court on Federal Administrative Matters No. 2, in re "Multicanal and Other v. Conadeco- Decree 527/05 and other on Proceeding leading to a declaratory judgment", ordered the suspension of the effects of COMFER Resolution No. 577/09, of CNDC Resolution No. 106/09, and any other act resulting therefrom, until a final decision was rendered in the case.

On December 16, 2009, the Chamber No. 3 of the National Court of Appeals on Federal Administrative Matters, in re "Multicanal and other v. CONADECO Decree 527/05 and other on Proceeding leading to a declaratory judgment" File No. 14,024/08, granted the extraordinary appeal filed by Multicanal and Grupo Clarín against the decision rendered by that same court on October 23, 2009. With the granting of that appeal, Cablevisión's preliminary injunction regained full force and effect. Accordingly, on January 8, 2010 Cablevisión notified such circumstance to the COMFER.

Subsequently, on March 9, 2011, the Supreme Court of Argentina in re "MULTICANAL and Other v./ CONADECO - Decree 527/05 and other on/Proceeding leading to a declaratory judgment", granted the appeal by right and the extraordinary appeal filed by the National Government and revoked the decision rendered by Chamber No. 3 of the National Court of Appeals on Federal Administrative Matters, which had confirmed the preliminary injunction requested by Cablevisión in the first instance. Notwithstanding the foregoing, Cablevisión believes that this matter does not have a material impact on the merits of the case.

Notwithstanding the required filings made by Cablevisión and its shareholders to prove that they were complying with the commitment agreed with the CNDC on December 7, 2007 (date on which the SCI granted authorization), on September 23, 2009, the SCI issued Resolution No. 641, whereby it ordered the CNDC to verify compliance with the parties' proposed commitment by visiting the parties' premises, requesting reports, reviewing documents and information and carrying out hearings, among other things.

On December 11, 2009, Cablevisión notified the CNDC of the completion and corresponding verification of the fulfillment of the voluntary undertakings made by Cablevisión at the time of the enactment of SCI Resolution No. 257/07. On December 15, 2009, Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters issued a preliminary injunction in re "Grupo Clarín S.A. v. Secretariat of Domestic Trade and other on preliminary injunctions" (case 10,506/09), partially acknowledging the preliminary injunction requested by Grupo Clarín, and instructing the CNDC and the

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SCI to notify Grupo Clarín whenever their own verification of Cablevisión's fulfillment of its undertakings had been concluded, regardless of the result. Should such agencies have any observations, they should notify Grupo Clarín within a term of 10 days. On the same date, the CNDC issued Resolution No. 1,011/09 whereby it deemed Cablevisión's voluntary undertakings unfulfilled and declared the rescission of the authorization granted under Resolution No. 257/07.

On December 17, 2009, the National Court of Appeals on Federal Commercial-Criminal Matters, Chamber A, decided to suspend the term to appeal Resolution No. 1,011/09 until the main case was transferred back to the CNDC, considering it had been in such court since December 16, 2009.

On December 17, 2009, the CNDC notified Cablevisión of the initiation of the motion for execution of Resolution No. 1,011/09. On December 18, 2009, Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters issued an injunction in re "Grupo Clarín S.A. v. Secretariat of Domestic Trade and other on preliminary injunctions", which suspended the effects of Resolution No. 1,011/09 until the notice set forth in the injunction of December 15, 2009 was served. Accordingly, the CNDC served notice to Cablevisión by means of Resolution No. 1,101/09.

On December 30, 2009, Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters issued a preliminary injunction in re "Grupo Clarín S.A. v. Secretariat of Domestic Trade and other on preliminary injunctions", partially acknowledging Grupo Clarín's request and suspending the term for Grupo Clarín to respond to Resolution No. 1,101/09 until Grupo Clarín is granted access to the administrative proceedings related to the charges brought by the CNDC in its Opinion No. 770/09 (on which Resolution No. 1,011/09 was based).

On February 19, 2010, Cablevisión requested the nullification of the notice, and as a default argument, submitted the response requested under Resolution No. 1,101/09. On February 26, 2010, the National Court of Appeals on Federal Commercial-Criminal Matters approved the recusation filed by Cablevisión and excluded the Secretariat of Domestic Trade from the proceedings.

On March 3, 2010, the Argentine Ministry of Economy and Public Finance issued Resolution No. 113 (subscribed by the Minister of Economy, Dr Amado Boudou) rejecting the request for the nullification of Resolution No. 1,011/09, the requests for abstention and excusation of certain officials, and all the evidence produced in connection with such request for nullification. The voluntary undertakings made by Cablevisión under Resolution No. 257/07 were deemed unfulfilled, thus declaring the rescission of the authorization granted under such resolution. The parties involved were ordered to take all necessary actions to comply with such rescission within a term of six months, and to inform the CNDC about the progress made in that respect on a monthly basis. Such resolution was appealed in due time and form. The appeal was granted without staying the execution of judgment.

On April 20, 2010, Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters granted the appeal filed by Grupo Clarín S.A. in re "Grupo Clarín on delay in the appeal of the proceedings", and decided that the appeal granted by the CNDC to Grupo Clarín S.A. against Resolution No. 113/10 had the effect of staying such resolution.

The National Government filed an appeal asking that the Court of Appeals revoke its own decision with respect to the effect granted to the April 20 decision, and that it decline its jurisdiction. It also filed an appeal to have the case brought before the Supreme Court. Both appeals were dismissed. Chamber No. 2 requested the administrative file to consider the appeal and render its decision.

On September 17, 2015, the Court rendered a decision in favor of Cablevisión, revoking Resolution No. 113/10 in its entirety. Both parties were served with the decision on that same date.

The National Government - Ministry of Economy filed an appeal to have the case brought before the Supreme Court, which was substantiated in February 2016.

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Subsequently, in March 2016, the appeal filed by the National Government - Ministry of Economy and Public Finance was dismissed. Therefore, SCI Resolution No. 257/07 and the effects of the authorization are in full force and effect to date.

On March 31, 2016, the National Government – Ministry of Economy and Public Finance filed a direct appeal before the Supreme Court of Argentina.

Subsequently, the National Government abandoned the Direct Appeal and the Supreme Court deemed it abandoned on June 7, 2016. Therefore, MECON Resolution No. 113/10 is considered to be null and void.

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 and the intervening judge has ordered discovery proceedings.

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 Ordinary General 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 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 Company has filed a response in due time and form.

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 Company has filed a response in due time and form.

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(Partner)
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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, a response to the claim had been filed.

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.

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.

8.3 Matters concerning Papel Prensa

- a. In connection with the matters concerning Papel Prensa described in Note 10.4.IV. to the Company's parent company only financial statements as of December 31, 2015, the hearing that was to be held on April 14, 2016 was subsequently postponed by the Court for June 9, 2016.

Subsequently, in March 2016, the Commercial Court of Appeals –Chamber C– summoned Papel Prensa, the CNV, and the shareholders of AGEA, the National Government, SA La Nación and CIMECO to attend a hearing to be held on April 7, 2016, solely for conciliatory purposes and with the aim of finding a comprehensive solution to the conflict. The hearing was held on that date and a new date was set to resume the hearing on June 2, 2016 for the same purposes and effects.

In view of the above, the date for resuming such meeting and all the claims pending before the Commercial Court of Appeals are still suspended to date. After the last hearing for conciliatory purposes was held, the parties, by mutual agreement, requested the court to order a shareholders' meeting to be held on September 29, 2016. In response to that request, the Court of Appeals served notice thereof on the Court of Appeals' Attorney, who has not yet issued an opinion on the matter. Therefore, all the matters concerning the conflict related to Papel Prensa, are subject to new court hearings for conciliatory purposes and to the outcome of the request for a shareholders' meeting that was filed with the Court of Appeals.

NOTE 9 - REGULATORY FRAMEWORK

9.1 Audiovisual Communication Services Law.

The subsidiaries of Grupo Clarín that render audiovisual communication services are holders of licenses that were originally awarded under the regime established by Law No. 22,285. The COMFER was the enforcement authority established by that law. Under Law No. 22,285 audiovisual communication service companies in Argentina required a non-exclusive license from the COMFER in order to operate. Other approvals were also required, including, for some services, authorization by municipal agencies. Broadcasting licenses were granted for an initial period of 15 years, allowing for a one-time extension of 10 years. The extension of the license was subject to the approval of the COMFER, which would determine whether or not the licensee had met the terms and conditions under which the license had been granted. Some of the licenses exploited by the subsidiaries have already been extended for the above-mentioned 10-year term.

On May 24, 2005, Decree No. 527/05 provided for a 10-year-suspension of the terms then effective of broadcasting licenses or their extensions. Calculation of the terms was automatically resumed upon expiration

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of the suspension term, subject to certain conditions. The Decree required that companies seeking to benefit from the extension submit to the COMFER's approval, within two years from the date of the Decree, programming proposals that would contribute to the preservation of the national culture and the education of the population and a technology investment project to be implemented during the suspension term. COMFER Resolution No. 214/07 regulated the obligations established by Decree No. 527/05 in order to benefit from such suspension. The proposals then submitted were approved and, accordingly, the terms of the licenses originally awarded to the subsidiaries of Grupo Clarín were suspended for ten (10) years.

The Audiovisual Communication Services Law (Law No. 26,522, LSCA, for its Spanish acronym) was passed and enacted on October 10, 2009, subject to strong concerns over its content and enactment procedure. Even though the new Law became effective on October 19, 2009, not all of the implementing regulations provided by the law have been issued. Therefore, Law No. 22,285 still applies with respect to those matters that to date have not been regulated, until all terms and procedures for the regulation of the new law are defined.

The law provided for the replacement of the COMFER with the Audiovisual Communication Services Law Federal Enforcement Authority (AFSCA, for its Spanish acronym) as a decentralized and autarchic agency under the jurisdiction of the Executive Branch, and vested the new agency with authority to enforce the law.

Emergency Decree No. 267/15 issued on December 29, 2015, created the National Communications Agency ("ENACOM", for its Spanish acronym) as a decentralized and autarchic agency under the jurisdiction of the Ministry of Communications. Among other powers, the ENACOM has all the same powers and competences that Law No. 26,522 vested in AFSCA. See Note 9.3.

9.2 Telecommunication Services.

The regulatory framework of the Argentine telecommunications sector is undergoing a process of change. In December 2014, the Argentine Congress passed Law No. 27,078, known as the "Digital Argentina Act", which partially repealed National Telecommunications Law No. 19,798. The new law subjects the effectiveness of Decree No. 764/00, which deregulated the telecommunications market, to the enactment of four new sets of rules that will govern the License, Interconnection, Universal Service and Radio-electric Spectrum regimes.

The new law maintains the single country-wide license scheme and the individual registration of the services to be rendered, but replaces the name telecommunication services with Information and Communications Technology Services ("TIC Services", for their Spanish acronym). Notwithstanding this, the scope of the licenses originally granted to the subsidiary Cablevisión, its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses and their respective registrations of services, remain unaltered.

The license will be called "*Licencia Única Argentina Digital*" and will allow licensees to render any telecommunication services to the public, be they fixed or mobile, wired or wireless, national or international, with or without the licensee's own infrastructure.

The TIC Services registered with the Argentine Secretariat of Communications under the name of Cablevisión, its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses are the following: Data Transmission, Paging, Videoconference, Community Retransmission, Transport of Broadcast Signals, Value-Added, Radio-Electric Trunking, Internet Access, Public Telephony, Local Telephony and National and International Long-Distance Telephony.

The law created a new enforcement and oversight Authority as a decentralized agency under the jurisdiction of the Executive Branch, the Information and Communications Technology Federal Enforcement Authority ("AFTIC", for its Spanish acronym).

The new law maintained the obligation to contribute 1% of telecommunication service revenues, net of taxes and charges, to be used for Universal Service investments (this obligation had been imposed by Decree No. 764/00 on all service providers as from January 1, 2001), but the Universal Service Trust Fund was placed under State control. Until August 2015, the manager of such trust fund was Banco Itaú Argentina S.A., which

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received the joinder requests filed by Cablevisión and its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses to join the Trust Agreement.

The Argentine Secretariat of Communications has yet to decide on the approval of the Project submitted by Cablevisión on June 21, 2011, within the framework of SECOM Resolution No. 9/2011 which created the "Infrastructure and Equipment" program, whereby telecommunication service providers were allowed to submit projects aimed at developing new infrastructure, updating existing infrastructure and/or acquiring equipment for areas without coverage or with unmet needs, in order to meet the obligation to make contributions to the Universal Service Trust Fund for the amounts accrued as from January 2001 until the entry into force of Decree No. 558/08.

Another innovation of Law No. 27,078 is the creation of a new public service under the name "Public and Strategic Infrastructure Access and Use Service for and among Providers". The right of access includes "providers having to make available to other providers their network elements, associated facilities or services to render TIC services, even when such elements are used to render audiovisual content services." Under this scheme, the government seeks to make private companies that were created and developed in competition share their networks with other companies that have not made any investments.

The foregoing applies to any provider that has its own infrastructure or networks, because the term "Associated facilities" is defined as physical infrastructures, systems, devices, associated services or other facilities or elements associated with a telecommunications network or with TIC Services that enable or support the provision of services using that network or service, or that have the potential to do so; and will include, inter alia, buildings or building entrances, building wiring, antennas, towers and other supporting constructions, ducts, masts, manholes, and cabinets (See Note 9.3.).

As of the date of these interim condensed parent company only financial statements, Law No. 27,078 has been only partially regulated.

9.3. Emergency Decree No. 267/15. Convergence.

Emergency Decree No. 267/15 (the "Emergency Decree"), issued on December 29, 2015 and published in the Official Gazette on January 4, 2016, creates the ENACOM as a decentralized and autarchic agency under the jurisdiction of the Ministry of Communications and vests the new agency with authority to enforce Laws Nos. 26,522 and 27,078, as amended and regulated. The ENACOM has all the same powers and competences that had been vested in AFSCA and AFTIC by Laws Nos. 26,522 and 27,078, respectively.

Among the main amendments introduced by the Emergency Decree with respect to both laws, the most remarkable is the repeal of Section 161 of Law No. 26,522, which set forth the obligation to conform to the provisions of this law with respect to ownership conditions and the number of licenses. Section 45 of Law No. 26,522, which establishes the multiple license regime, has been significantly amended. As a result, the Company and its subsidiaries that are licensees and/or owners of audiovisual communication services already conform to the new regulatory framework.

Under the new regulatory framework, the licenses for physical link subscription television services and for radio-electric link subscription television services held by certain subsidiaries that had been granted under Laws No. 22,285 and No. 26,522 are now called "Registrations" for the exploitation of physical link subscription television services and radio-electric link subscription television services of a *Licencia Única Argentina Digital*.

Pursuant to this amendment (Section 7 of the Emergency Decree, which amends, among others, Section 10 of Law No. 27,078), all the services exploited by Cablevisión and its subsidiaries are now governed by the Digital Argentina Act. The only license still exploited by Cablevisión that could be considered to be still subject to the LSCA is the registered title of the signal METRO, since this signal is broadcast through other services that acquire it for that purpose, and, therefore, it has a registration number issued by AFSCA (now ENACOM) that must be renewed on an annual basis.

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As far as the Company's subsidiaries are concerned, the Emergency Decree eliminates:

1. The incompatibility to render in the same location broadcast television services and subscription television services. When subscription television services are exploited through physical or radio-electric link, they will be subject to the Digital Argentina Act pursuant to Section 7 of the Emergency Decree, which amends, among others, Section 10 of Law No. 27,078;
2. The limit of 10 licenses for radio-electric link subscription television services and 24 licenses for physical link subscription television services, which are considered to be TIC services as from January 4, 2016, date on which the Emergency Decree became effective; and the limit that provided that broadcast television services may not reach more than 35% of the total national population and the limit that provided that physical link and radio-electric link subscription television services may not reach more than 35% of all subscribers.

As far as Cablevisión is concerned, the Emergency Decree repeals Section 15 of Law No. 27,078, which created a new public service under the name "Public and Strategic Infrastructure Access and Use Service for and among Providers". The right of access included "providers having to make available to other providers their network elements, associated facilities or services to render TIC services, even when such elements were used to render audiovisual content services."

Due to the fact that physical link and radio-electric link subscription television services are now subject to the Digital Argentina Act:

- i) These services no longer fall within the scope of Section 45 of the LSCA, which sets forth the new multiple license regime for Audiovisual Communication Services;
- ii) The registration of physical link subscription television services is no longer limited to a specific territorial area. The same is not the case with radio-electric link subscription television services because of the portion of the spectrum allocated to render these services;
- iii) Both registrations, for physical link subscription television services and for radio-electric link subscription television services, are no longer subject to expiration terms. However, the portions of the spectrum allocated to render radio-electric link subscription television services do have expiration terms. The duration of such services shall be the longest of the term provided under their original title, or 10 years as from January 1, 2016.

Notwithstanding point iii) above, ENACOM Resolution No. 427/2016 provides that cable television service licensees that hold only one license to provide a certain type of service and have requested an extension of its term but have not obtained an express decision in this respect must ratify their requests. Accordingly, some of the subsidiaries of Cablevisión have made filings to such end.

However, it should be noted that pursuant to Section 21 of the Emergency Decree and until the enactment of a law that shall unify the fee regime provided under Laws Nos. 26,522 and No. 27,078, the physical link and radio-electric link subscription television services exploited by certain subsidiaries of the Company will continue to be solely subject to the fee regime provided under Law No. 26,522. They shall not be subject to a 1% contribution of their revenues or to the payment of the Control, Oversight and Verification Fee provided under Sections 22 and 49 of Law No. 27,078.

With regard to the term of the licenses for television and radio broadcast services, the Emergency Decree establishes two important changes:

- It provides for a new system of extensions for audiovisual communication service licenses whereby the licensee may request a first extension for five (5) years, which will be automatic. Upon expiration of this term, licensees may request subsequent extensions of ten (10) years complying in that case with the provisions of the Law and applicable regulations to be eligible for each extension. However, this system of subsequent extensions may be interrupted upon the expiration of the last extension if the Ministry of Communications decides to call for a public bid for new licensees, for reasons of public interest, for the introduction of new technologies or in compliance with international agreements. In this case, prior licensees shall have no acquired rights regarding their licenses.

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- Section 20 of the Emergency Decree provides that the holders of licenses effective as of January 1, 2016 may request a ten (10) year extension, without it being necessary to wait until the expiration of the license that is currently effective. Such extension shall be considered as a first period that entitles the holder to the five (5) year automatic extension.

Taking into consideration the advantages provided under the new legal framework with regard to the terms of the licenses, the direct and indirect subsidiaries of the Company that exploit audiovisual communication services, i.e. ARTEAR, RADIO MITRE, TELECOR S.A.C.I., Teledifusora Bahiense S.A. and Bariloche TV S.A., made a filing with the ENACOM requesting the extension of the terms of their licenses pursuant to Section 20 of the Emergency Decree.

Cablevisión will follow the procedure established under ENACOM Resolution No. 427/16 in order to report, using the online application provided by the ENACOM to such end, the territorial location of its services, indicating the original coverage area, the supplementary territorial units and/or area extensions in which it currently renders services.

In addition, and pursuant to ENACOM Resolution No. 1,394/16, which approves the General Rules for Physical Link Subscription Television Services and/or Radio-Electric Link Subscription Television Services, in those cases in which Cablevisión and/or any of its Subsidiaries purchased bidding forms to apply for a new license when the term had expired or to apply for an area extension, the applicants amended their filings and converted them into a request for authorization of coverage area.

The new General Rules also order providers of both types of services to guarantee their compliance with a programming grid in each Coverage Area. In this respect, the subsidiary of the Company states that it already complies with all the obligations derived from this Resolution.

Pursuant to the Emergency Decree, the providers of the Basic Telephone Service whose licenses were granted under the terms of Decree No. 62/90 and paragraphs 1 and 2 of Section 5 of Decree No. 264/98, as well as Mobile Telephone Service providers with a license granted pursuant to the list of bidding conditions approved by Resolution No. 575/93 of the then Ministry of Economy and Public Works and Services and ratified by Decree No. 1,461/93, shall only be able to provide subscription broadcasting services by means of physical or radio-electric link after a term of two years counted as from January 1, 2016. That term may be extended for one more year.

The Emergency Decree was approved on April 6, 2016 by the Lower House of Congress. Therefore, it has full force and effect.

9.4. Matters related to the regulatory situation of the Company and certain subsidiaries.**9.4.1. Proposal to conform to the provisions of Law No. 26,522.**

Pursuant to Resolution No. 17/ENACOM/2016 issued on February 01, 2016, the new enforcement authority recognized that all the files and/or administrative proceedings pending resolution containing requests made under the regime approved by Section 161 of Law No. 26,522, and its regulations, including the proposal submitted by the Company and its subsidiaries, comply with the limits relating to multiplicity of licenses established by Section 45 of Law No. 26,522, as amended by Emergency Decree No. 267/2015. Therefore, they shall be deemed concluded and filed.

9.4.2. Other Resolutions issued by AFSCA.

We refer to Resolution No. 1,329/AFSCA/2014, which amends Resolution No. 1,047/AFSCA/2014, whereby the AFSCA approved the National Standard for Terrestrial and Broadcast Digital Television Audiovisual Communication Services, and to Decree No. 2,456/2014, which approves the National Digital Audiovisual Communication Services Plan. Both the Resolution and the Decree are manifestly contrary to Law No. 26,522, which has higher hierarchy, because they contradict the rights of the current licensees of broadcast television services, including ARTEAR and the subsidiaries that exploit broadcast television services.

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This regulatory framework was subsequently supplemented by three resolutions. Through Resolution No. 24/AFSCA/2015, AFSCA approved the Technical Plan for Terrestrial Digital Television Frequencies for important areas of the national territory. Through Resolution No. 35/AFSCA/2015, AFSCA allocated a digital television station on a permanent basis to the current licensees of analog broadcast stations, among which are ARTEAR and its subsidiary TELECOR S.A.C.I. in order to develop their transition to digital technology. Finally, through Resolution No. 39/AFSCA/2015, AFSCA called for public bids for the award of digital television licenses according to the illegitimate categories created by the regulations of the LSCA. Through this regulatory framework, the rights of the current broadcast television licensees are infringed. These rights should be preserved intact as provided under Law No. 26,522, which has higher hierarchy. The main effect of these regulations, among their technical effects, is that the current broadcast television licensees that obtained their licenses pursuant to Law No. 22,285 will have to bear additional charges and obligations including, among other things, multiplexing and broadcasting under their own responsibility other broadcast television stations.

Since the changes introduced under this regulatory framework have an impact on the responsibilities and rights of the companies involved, ARTEAR and TELECOR S.A.C.I. filed a claim before AFSCA requesting the revocation of Resolutions No. 1,329/AFSCA/2014, 24/AFSCA/2015, 35/AFSCA/2015 and 39/AFSCA/2015 to preserve their rights intact as direct or indirect broadcast television service licensees. They also filed a claim before the National Executive Branch requesting the repeal of Decree No. 2,456/2014. As of the date of these financial statements, the claim filed before AFSCA was dismissed. Therefore, ARTEAR challenged before the courts that agency's decision to dismiss the claim. The claim filed before the National Executive Branch is still pending resolution.

9.4.3. Fibertel License.

The ENACOM issued Resolution No. 1,359/16, whereby it authorized the transfer of ownership of the Exclusive Telecommunication Service License that had been granted to Fibertel S.A., which was merged into Cablevisión effective as of April 1, 2003. (See Note 10.4.8. to the Parent Company Only Financial Statements as of December 31, 2015).

9.4.4. Nextel.**9.4.4.1. Acquisition of Control over NEXTEL.**

On September 10, 2015, the Board of Directors of Cablevisión approved the assignment of the rights and obligations held by Grupo Clarín under an offer it had submitted to NII Mercosur Telecom, S.L.U. and NII Mercosur Móviles, S.L.U. (hereinafter, the "Sellers") for the acquisition of 49% of the capital stock of NEXTEL COMMUNICATIONS ARGENTINA S.R.L. and an option to acquire, together with the subsidiary of Cablevisión, Televisión Dirigida S.A., subject to certain conditions -among them, the regulatory approvals-, 51% of the remaining capital stock. The price of the transaction was USD 165 million (out of this amount, USD 80 million accounts for 49% and USD 85 million accounts for 51%) plus the right to collect an additional amount of up to USD 13 million subject to the fulfillment of certain conditions. The transaction was executed on September 14, 2015 with the aggregate payment by Cablevisión and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million guarantee fund with the balance to cover any potential liabilities of Nextel (this fund was set up on October 7, 2015).

Subsequently, on January 27, 2016, Cablevisión and its subsidiary Televisión Dirigida S.A. decided to exercise the option to acquire the remaining 51% of the capital stock and votes of Nextel, and, consequently, Cablevisión became the holder of 51.4% of the capital stock and votes of Nextel and Televisión Dirigida S.A. became the holder of the remaining 48.6%.

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.

This transaction is subject to the corresponding administrative approval of the CNDC.

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On June 30, 2016, Televisión Dirigida S.A. notified Nextel of the transfer of: (i) 392,774,929 membership interests with nominal value of Ps. 1 each and entitled to one vote per membership interest, representing 48.5% of the capital stock and votes of Nextel, in favor of Cablevisión; and (ii) 1,000,000 membership interests with nominal value of Ps. 1 each and entitled to one vote per membership interest, representing 0.1% of the capital stock and votes of Nextel, in favor of PEM S.A. As a consequence of the above-mentioned assignment of membership interests, Televisión Dirigida S.A. is no longer related to Nextel. This assignment has not yet been registered with the IGJ.

9.4.4.2. Status of the frequencies allocated to NEXTEL.

Through Resolution No. 325/2015, AFTIC decided, abruptly and without prior notice of its decision, to dismiss the requests for extensions of certain frequencies allocated to Nextel, revoking them in that same act.

On October 9, 2015 Grupo Clarín and Cablevisión filed an appeal against Resolution No. 325/2015 grounding their legitimate interest on their acquisition of 49% of the licensee.

Nextel first requested the suspension of the effects of Resolution No. 325/2015 and then filed an appeal against that administrative act. The ENACOM issued Resolution No. 134/2016, whereby it decided to grant partially the appeal filed by NEXTEL COMMUNICATIONS ARGENTINA S.R.L. against AFTIC Resolution No. 325/2015. Even though this Resolution did not entail the automatic extension of the frequencies involved, the ENACOM ordered the corresponding areas to analyze each file to verify compliance with the requirements of the effective regulatory framework to be eligible for obtaining the requested extensions.

The ENACOM issued Resolution No. 281/16, whereby it authorized the extensions for a term of 10 years counted as from the original expiration of the authorizations for the use of the frequencies that had been dismissed and revoked through Resolution No. 325/2015.

9.4.4.3 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.

As of the date of these financial statements, Nextel has not received any response to the above-mentioned requests.

9.4.5. Audiovisual Communications Law of the Republic of Uruguay.

Law No. 19,307 was published in the Official Gazette of the Republic of Uruguay on January 14, 2015. This Law governs radio, television, and other audiovisual communication services (hereinafter, the "Audiovisual Communications Law"). Section 202 of this law provides that the Executive Branch shall issue the implementing regulations for this law within a 120-day term as from the day following the publication of this law in the Official Gazette. As of the date of the financial statements, only Decree No. 45/015 has been issued, but the implementing regulations for most of the sections of this law are still pending. Such Decree provides that the concession for the use and allocation of the radio-electric spectrum for non-satellite audiovisual communication services shall be granted for a term of 15 years.

Section 54 of the Audiovisual Communications Law provides that an individual or legal entity cannot be allocated the full or partial ownership of more than 6 authorizations or licenses to render television services to

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subscribers throughout the national territory of Uruguay. Such limit is reduced to 3 if one of the authorizations or licenses includes the department of Montevideo. Section 189 of this law provides that in the cases where such limits were exceeded as of the entry into force of the Law, the owners of those audiovisual communication services shall transfer the necessary authorizations or licenses so as not to exceed the limits mentioned above within a term of 4 years as from the date of entry into force of the Audiovisual Communications Law.

Adesol S.A. is analyzing the possible impact on its business that could be derived from the change in the regulatory framework and the eventual legal actions it may bring to safeguard its rights and those of its shareholders. That company is also monitoring the different unconstitutionality claims filed by other companies against certain sections of the above-mentioned law to consider whether the decisions to be rendered by the Supreme Court in those proceedings may be favorable to the position of Adesol S.A. in the future. On April 7, 2016, 28 unconstitutionality claims were brought against the above-mentioned law. To date, the Supreme Court has issued only three decisions, whereby it declared the unconstitutionality of Section 39, subsection 3, Section 55, Section 60 point C, Section 98, subsection 2, Section 143 and Section 149 subsection 2 of Law No. 19,307. It is noteworthy that the last decision rendered in this respect by the Supreme Court dismissed the unconstitutionality claim filed by the claimant with respect to Section 54 of that Law.

The decisions to be made based on these parent company only financial statements should contemplate the eventual impact that these changes in the regulatory framework may have on Cablevisión and its subsidiaries in the Republic of Uruguay. The Company's parent company only financial statements should be read in the light of this uncertain environment.

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, 2015.

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 June 30, 2016 and December 31, 2015:

	USD June 30, 2016	USD December 31, 2015
ASSETS		
CURRENT ASSETS		
Cash and Banks	79,699	101,142
Other Investments	125,316	1,533,881
Other Receivables	1,090	1,090
Total current assets	206,105	1,636,113
Total assets	206,105	1,636,113
LIABILITIES		
CURRENT LIABILITIES		
Debt	25,645,536	22,065,151
Total Current Liabilities	25,645,536	22,065,151
Total Liabilities	25,645,536	22,065,151

Bid/offered exchange rates as of June 30, 2016 and December 31, 2015 were of Ps. 14.94 and Ps. 15.04; and Ps. 12.94 and Ps. 13.04; respectively.

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GRUPO CLARÍN S.A.

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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>June 30, 2016</u>	<u>Other Significant Observable Items (Level 2)</u>
<u>Assets</u>		
Current Investments	1,872,221	1,872,221

	<u>December 31, 2015</u>	<u>Other Significant Observable Items (Level 2)</u>
<u>Assets</u>		
Current Investments	19,848,419	19,848,419

Financial assets are measured at fair value taking into consideration the prices of similar instruments obtained from information sources available in the market (Level 2). As of June 30, 2016 and December 31, 2015, Grupo Clarín did not have any asset or liability measured at fair value using the quoted prices for identical assets and liabilities (Level 1), or 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.

As of June 30, 2016 and December 31, 2015, the Company does not have long-term financial liabilities.

NOTE 11 - INTERESTS IN SUBSIDIARIES AND AFFILIATES

- a. On September 10, 2015, the Board of Directors of Cablevisión approved the assignment of the rights and obligations held by Grupo Clarín under an offer it had submitted to NII Mercosur Telecom, S.L.U. and NII Mercosur Móviles, S.L.U. (hereinafter, the "Sellers") for the acquisition of 49% of the capital stock of NEXTEL COMMUNICATIONS ARGENTINA S.R.L. and an option to acquire, together with its subsidiary Televisión Dirigida S.A., subject to certain conditions -among them, the regulatory approvals- 51% of the remaining capital stock. The price of the transaction was USD 165 million (out of this amount, USD 80 million accounts for 49% and USD 85 million accounts for 51%) plus the right to collect an additional amount of up to USD 13 million subject to the fulfillment of certain conditions. The offer submitted by Grupo Clarín was subject to the acceptance of the Sellers. On September 11, 2015, the Sellers accepted the offer submitted by Grupo Clarín and, on the same date, the Sellers accepted the assignment of the rights under such offer in favor of Cablevisión, offering Cablevisión the acquisition of 49 % of the capital stock of Nextel and the option to acquire the remaining 51%. In order to guarantee the rights and obligations under the offer, the capital stock owned by NII Mercosur Móviles, S.L.U. was pledged (subject to registration with the Public Registry of Commerce). The transaction was executed on September 14, 2015 with the aggregate payment by Cablevisión and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million guarantee fund with the balance to cover any potential liabilities of Nextel (this fund was set up on October 7, 2015). In addition, upon the fulfillment of certain conditions precedent, on October 1, 2015, Cablevisión paid to the Sellers the additional amount of USD 12.73 million. On June 3, 2016, the assignment of 49% of the capital stock of Nextel in favor of Cablevisión was registered with the IGJ. Under the terms of the offer, Nextel will continue to be controlled and operated by the Sellers until the option to acquire the remaining 51% of the capital stock has been exercised. On January 27, 2016, Cablevisión and its subsidiary Televisión Dirigida S.A. decided to exercise the option to acquire the remaining 51% of the capital stock and votes of Nextel,

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with the report dated August 10, 2016

See our report dated
August 10, 2016
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee

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and, consequently, Cablevisión became the holder of 51.4% of the capital stock and votes of Nextel and Televisión Dirigida S.A. became the holder of the remaining 48.6%. To such effect, on the same date, Nextel's management took notice of the release of the pledge that had been set up to guarantee the rights and obligations under the offer. On July 26, 2016, the IGJ registered the assignment of the remaining 51% of the capital stock (see Note 7.4.4.).

As of March 31, 2016, Cablevisión concluded the process of allocating the purchase price of 51% of the capital stock of Nextel and calculated a gain from this acquisition of Ps. 114.1 million disclosed under the item "Income from Acquisition of Companies" of the Consolidated Statement of Comprehensive Income as of March 31, 2016, mainly due to the fact that the valuation of its identifiable assets, liabilities and contingent liabilities in proportion to its equity interest exceeds the acquisition cost.

On June 30, 2016, the controlled company Televisión Dirigida S.A. performed the transfer of: (i) 392,774,929 membership interests with nominal value of Ps. 1 each and entitled to one vote per membership interest, representing 48.5% of the capital stock and votes of Nextel, in favor of Cablevisión; and (ii) 1,000,000 membership interests with nominal value of Ps. 1 each and entitled to one vote per membership interest, representing 0.1% of the capital stock and votes of Nextel, in favor of PEM S.A. As a consequence of the above-mentioned assignments of membership interests, Cablevisión holds a 99.9% interest in the capital stock and votes of Nextel, and the remaining 0.1% is held by PEM S.A. These assignments have not yet been registered with the IGJ.

- b. 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 900 Mh 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 relevant, which render wireless telecommunications services and hold licenses for the use of the radioelectric spectrum in 2.5 Ghz bands. The aggregate price for those transactions was USD 138.2 million, equivalent to Ps. 2,036 million.

Pursuant to accounting standards, Cablevisión has one year as from the date of acquisition of the above-mentioned companies to allocate the cost of acquisition and calculate goodwill in proportion to its equity interest.

- c. On June 30, 2016, the Company executed an agreement with GC Minor for an assignment of shares, whereby it purchased for Ps. 10,000 the interest that GC Minor had in CLC, which accounted for 0.0005% of the capital stock and votes of that company.
- d. On June 30, 2016, Grupo Clarín accepted the offer for the acquisition of shares that had been submitted by GC Minor, whereby it purchased for Ps. 50,000 the interest that GC Minor had in GCGC, which accounted for 1.32% of the capital stock and votes of that company. The payment shall be made in cash within 180 days as from acceptance of the offer.
- e. On June 30, 2016, the Company, as the sole shareholder, formed a new subsidiary, "GCSA Equity, LLC".

NOTE 12 - COVENANTS, SURETIES AND GUARANTEES PROVIDED

- a. In April 2016, Grupo Clarín became the guarantor for up to Ps. 65 million to secure certain financial obligations of AGEA with Banco Ciudad de Buenos Aires.
- b. During this period, the Company became the guarantor of a loan granted by Banco Santander Río S.A. to GCGC. The guarantee will be effective until January 2019.

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(Partner)
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NOTE 13 - RESERVES, RETAINED EARNINGS AND DIVIDENDS

a. Grupo Clarín

On April 25, 2016, at the Annual Ordinary Shareholders' Meeting of the Company, the shareholders decided, among other things, to appropriate the net income for the fiscal year 2015, which amounted to Ps. 1,884,929,369, as follows: (i) Ps. 300,000,000 to the distribution of dividends payable within 30 days as from the date of the Shareholders' Meeting and (ii) Ps. 1,584,929,369 to the reserve for future dividends.

b. Cablevisión

On April 20, 2016, at the Annual General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión, its shareholders decided to distribute cash dividends in the amount of Ps. 750 million, payable in Argentine Pesos or US Dollars within a term of thirty days as from the date of such Shareholders' Meeting and delegated on the Board of Directors of Cablevisión the power to establish the time and payment method. Of that amount, approximately Ps. 300.1 million corresponds to the non-controlling interest in this company. As of the date of these financial statements, Cablevisión paid Ps. 749.7 million of distributed dividends.

Also, on June 30, 2016, at the General Extraordinary Shareholders' Meeting of Cablevisión, its shareholders decided to distribute cash dividends in the amount of Ps. 749 million, payable within thirty days as from the date on which the Shareholders' Meeting was held. Of that amount, approximately Ps. 299.6 million corresponds to the non-controlling interest in this company. On July 27, 2016, the above mentioned dividends were made available to shareholders.

At the General Extraordinary Shareholders' Meeting held on January 12, 2016, the shareholders of Cablevisión decided, among other things, i) to cancel 207,157 Class B common book-entry treasury shares with a nominal value of Ps. 1 representing 0.1% of the capital stock and votes of that Company; and, consequently, to reduce the capital stock by Ps. 207,157, (ii) to ratify the amendment of Section 4 of the Bylaws approved by the shareholders at the Extraordinary Shareholders' Meeting held on June 30, 2014, which, among other things, had amended the nominal value of shares from Ps. 1 to Ps. 10,000, and (iii) to delegate on the Board of Directors the power to determine and establish the time, form and conditions of the shares representing the new capital stock to be issued, as well as the payment of the fractions, if any.

In light of the above, on June 29, 2016, the Board of Directors of Cablevisión completed the implementation of the payment in cash of the fractions and change in the nominal value and, therefore, the capital stock of Cablevisión is now of Ps. 197,300,000, represented by 19,730 shares, of which i) 15,785 are Class A book entry shares, with nominal value of Ps. 10,000 each and entitled to 1 vote per share, and ii) 3,945 are Class B book entry shares, with nominal value of Ps. 10,000 each and entitled to 1 vote per share. At the same meeting of the Board of Directors, new shares were issued.

Subsequently, at the General Extraordinary Shareholders' Meeting held on June 30, 2016, the shareholders decided to capitalize in full the following accounts: (i) Paid-in Capital, in the amount of Ps. 134,234,500, (ii) merger surplus, in the amount of Ps. 2,894,151 and (iii) the partial capitalization of the "Optional Reserve to Maintain the Company's Level of Capital Expenditures and its Current Solvency Level" in the amount of Ps. 865,571,349, thus increasing the capital stock from Ps. 197,300,000 to Ps. 1,200,000,000 through the issuance of 100,270 new common book-entry shares with nominal value of Ps. 10,000 and entitled to 1 vote per share, of which 80,221 will be Class A common book-entry shares and 20,049 will be Class B common book-entry shares.

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

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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 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 – EXTINCTION OF THE NOTES ISSUED BY AGEA

In connection with Note 19 to the parent company only financial statements as of December 31, 2015, on April 4, 2016, the CNV revoked the authorizations that had been granted to AGEA for the public offering of its Notes, which entails the delisting of that company.

NOTE 16 – 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.

Signed for identification purposes
with the report dated August 10, 2016

See our report dated
August 10, 2016
PRICE WATERHOUSE & CO. S.R.L.

CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee

(Partner)
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NOTE 17 – 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. On August 3, 2016, the Company and CMD executed an Agreement relating to Irrevocable Contributions on Account of Future Share Subscriptions whereby the Company undertakes to make a Ps. 35.6 million contribution to CMD.
- c. On August 8, 2016, a subsidiary of CMD, Electro Punto Net S.A., executed an asset transfer agreement, whereby it acquired from Meroli Hogar S.A. certain assets related to the business of online retail and sale of home appliances and electronic products in the Province of Córdoba. The transaction includes negative covenants to be fulfilled by the shareholders of Meroli Hogar S.A. The aggregate amount of these transactions is of USD 3.5 million, of which USD 2.75 million is payable on the date of execution of the agreement and the rest is payable on the first anniversary of the execution date.

NOTE 18 - 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 August 10, 2016.

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See our report dated
August 10, 2016

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JORGE CARLOS RENDO
Chairman

ADDITIONAL INFORMATION TO THE NOTES TO THE FINANCIAL STATEMENTS
SECTION No. 68 OF THE REGULATIONS ISSUED BY THE BUENOS AIRES STOCK EXCHANGE AND
SECTION No. 12 TITLE IV CHAPTER III OF GENERAL RESOLUTION No. 622/13 OF THE ARGENTINE
SECURITIES COMMISSION
BALANCE SHEET AS OF JUNE 30, 2016

- 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) As mentioned in the notes to the Company's annual financial statements as of December 31, 2015, during 2008 the Company carried out transactions that resulted in the acquisition of an equity interest in CIMECO. See also the issues mentioned in Note 9.
- 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).

	<u>Receivables</u>		<u>Liabilities</u>	
Without any established term	215,698,034	(1)	28,796,545	(3)
Due				
Within three months	1,898,337	(2)	-	
More than nine months and up to twelve months	-		362,557,124	(3)
Total	<u>217,596,371</u>		<u>391,353,669</u>	

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

(2) The balances are denominated in local currency and accrue interest at a fixed rate.

(3) It includes USD 25,645,536 and accrues interest at a fixed rate.

- 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 and type of network based on business knowledge and purchase price of the resources needed, state

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(Partner)
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Chairman

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 June 30, 2016, 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
August 10, 2016

PRICE WATERHOUSE & CO. S.R.L.

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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

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 34 in Grupo Clarín S.A.'s interim condensed parent company only financial statements for the six-month period ended June 30, 2016.

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

Free translation from the original prepared in Spanish

REPORT ON REVIEW OF INTERIM PARENT COMPANY ONLY FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Grupo Clarín S.A.
Legal domicile: Piedras 1743
Autonomous City of Buenos Aires
CUIT No 30-70700173-5

Introduction

We have reviewed the attached interim condensed parent company only financial statements of Grupo Clarín S.A. (the "Company") which comprise the parent company only balance sheet at June 30, 2016, the parent company only statements of comprehensive income for the six and three-month period ended at June 30, 2016 and the parent company only statements of changes in equity and of cash flows for the six-month period ended on that date and selected explanatory notes.

The balances and other information corresponding to fiscal year 2015 and its interim periods are an integral part of the above-mentioned financial statements and, therefore, should be considered in relation to those financial statements.

Management's responsibility

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE, for its Spanish acronym) as professional accounting standards and incorporated by the Argentine Securities Commission (CNV, for its Spanish acronym) to its regulations, as approved by the International Accounting Standards Board (IASB) and, therefore, is responsible for the preparation and presentation of the interim condensed parent company only financial statements mentioned in the first paragraph in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established by International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as review standard in Argentina by Technical Resolution No. 33 of the FACPCE as it was approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries to the Company's personnel responsible for preparing the information included in the interim condensed parent company only financial statements and applying analytical and other review procedures. The scope of this review is substantially less than an audit conducted in accordance with International Standards on Auditing, and consequently, a review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the parent company only balance sheet, parent company only comprehensive income and parent company only cash flows of the Company.

Conclusion

Based on our review, nothing has come to our attention that caused us to believe that the interim condensed parent company only financial statements mentioned in the first paragraph of this report, are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Emphasis of Matter

Without modifying our conclusion, we would like to emphasize the information contained in Note 8.1.a., to the interim condensed parent company only financial statements, which describes the situation related to the resolution issued by the regulator to calculate the monthly fee payable by the users of cable television services, whose decision cannot be foreseen to date.

Report on compliance with current regulations

In accordance with current regulations, in respect to Grupo Clarín S.A., we report that:

- a) the interim condensed parent company only financial statements of Grupo Clarín S.A. have been transcribed to the “Inventory and Balance Sheet” book and comply with the General Associations Law and pertinent resolutions of the Argentine Securities Commission, as regards those matters that are within our competence;
- b) the interim condensed parent company only financial statements of Grupo Clarín S.A. arise from accounting records kept in all formal respects in conformity with legal provisions;
- c) we have read the additional information to the Notes to the interim condensed parent company only financial statements required by Article 12°, Chapter III, Title IV of the regulations of the Argentine Securities Commission, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at June 30, 2016, the debt accrued in favor of the (Argentine) Integrated Social Security System of Grupo Clarín S.A. according to the Company’s accounting records and calculations amounted to \$3,455,908.20, none of which was claimable at that date.

Autonomous City of Buenos Aires, August 10, 2016

PRICE WATERHOUSE & CO. S.R.L.

by _____ (Partner)
Carlos A. Pace

SUPERVISORY COMMITTEE'S REPORT ON THE REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

To the Shareholders of:

Grupo Clarín S.A.

TAX ID No. 30-70700173-5

Registered office: Piedras 1743

City of Buenos Aires

I. INTRODUCTION

In our capacity as members of Grupo Clarín S.A.'s Supervisory Committee, pursuant to the regulations of the Argentine Securities Commission (CNV, for its Spanish acronym) and of the Buenos Aires Stock Exchange, we have performed a review of:

a) The attached Interim Condensed Parent Company Only Financial Statements of Grupo Clarín S.A. comprising the Parent Company Only Balance Sheet as of June 30, 2016, the Parent Company Only Statement of Comprehensive Income for the six-month and three-month periods ended June 30, 2016, the Parent Company Only Statement of Changes in Equity and the Parent Company Only Statement of Cash Flows for the six-month period then ended, together with the corresponding notes.

b) The attached Interim Condensed Consolidated Financial Statements of Grupo Clarín S.A. and its subsidiaries comprising the Consolidated Balance Sheet as of June 30, 2016, the Consolidated Statement of Comprehensive Income for the six-month and three-month periods ended June 30, 2016, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the six-month period then ended, together with the corresponding notes.

The balances and other information corresponding to fiscal year 2015 and its interim periods are an integral part of the financial statements mentioned above and, therefore, should be considered in relation to those financial statements.

II. RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Company's Board of Directors is responsible for the preparation and presentation of the financial statements detailed in paragraph I in accordance with the International Financial Reporting Standards (IFRS) adopted by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE", for its Spanish acronym) as professional accounting standards and incorporated by the CNV to its regulations, as approved by the International Accounting Standards Board (IASB). Therefore, the Board of Directors is responsible for the preparation and presentation of the financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34).

III. SCOPE OF OUR REVIEW

We conducted our review in accordance with effective statutory auditing standards established by the Argentine General Associations Law (Law No. 19,550), as amended, and by Technical Resolution No. 15 issued by the FACPCE. Said standards require that the review of the documents detailed in paragraph I. be conducted in accordance with effective audit standards for the review of interim condensed financial statements, that the documents be checked for consistency with the information on corporate decisions stated in minutes, and that those decisions conform to the law and the by-laws, in all formal and documentary aspects.

In order to conduct our professional work on the documents detailed in paragraph I., we have reviewed the work performed by the Company's external auditor, Carlos A. Pace, a partner of Price Waterhouse & Co. S.R.L., who issued his reports on August 10, 2016, pursuant to International Standard on Review Engagements 2410 ("ISRE 2410") about "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", which was adopted as a standard of review in Argentina through Technical Resolution No. 33 issued by the FACPCE as approved by the International Auditing and Assurance Standards Board (IAASB) .

A review of interim financial information consists of making inquiries of the Company's personnel engaged in the preparation of the information included in the interim condensed financial statements and applying analytical and other review procedures. The scope of this review is substantially lower than that of an audit review performed in accordance with international auditing standards and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Accordingly, we do not express an audit opinion on the Company's financial position, the comprehensive income and the cash flow position (both on a consolidated and parent company basis).

We have not performed any management control and, therefore, we have not assessed the business criteria and decisions on administrative, financing, commercialization and production matters, since these issues are the exclusive responsibility of the Board of Directors.

IV. CONCLUSION

Based on our work, within the review scope described in paragraph III. of this report, nothing has come to our attention that caused us to believe that the financial statements mentioned in paragraph I. are not prepared, in all material respects, in accordance with International Accounting Standard 34.

V. EMPHASIS OF MATTER

Without qualifying our conclusion, we draw attention to the information disclosed under Note 8.1.a. to the Interim Condensed Parent Company Only Financial Statements and under Note 6.1.a. to the Interim Condensed Consolidated Financial Statements, which describes the situations related to the resolution issued by the regulatory agency for the calculation of the monthly fee payable by the users of cable television services, whose decision cannot be foreseen to date.

VI. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with effective regulations, we report with respect to Grupo Clarín S.A. that:

The interim condensed financial statements detailed in paragraph I. comply with the provisions of the Argentine General Associations Law (Law No. 19,550, as amended) and the regulations concerning accounting documentation issued by the CNV, and have been transcribed to the "Inventory and Balance Sheet" book and arise from the Company's accounting records kept, in all formal aspects, in accordance with effective legislation.

b) Furthermore, we report that in exercise of the legality control within our field of competence, during the six-month period ended June 30, 2016 we have applied the procedures set forth in Section 294 of Argentine General Associations Law (Law No. 19,550, as amended), as deemed necessary based on the circumstances and we have no observations to make in that regard.

City of Buenos Aires, August 10, 2016

Supervisory Committee

Carlos Alberto Pedro Di Candia
Chairman