



GRUPO CLARÍN S.A.

Interim Condensed Consolidated Financial Statements
for the nine-month period ended September 30, 2016,
presented on a comparative basis.

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

GRUPO CLARÍN S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2016 AND FOR THE NINE-MONTH PERIOD BEGINNING JANUARY 1, 2016 AND ENDED SEPTEMBER 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>Coeficiente 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 November 10, 2016

See our report dated
November 10, 2016

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee

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

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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	Nexel 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 September 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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015, AND
FOR THE THREE-MONTH PERIODS BEGINNING JULY 1 AND ENDED SEPTEMBER 30, 2016 AND 2015
In Argentine Pesos (Ps.)

	Notes	September 30, 2016	September 30, 2015	July 1, 2016 through September 30, 2016	July 1, 2015 through September 30, 2015
Continuing Operations					
Revenues	5.1	7,917,444,360	5,825,812,407	3,085,325,216	2,224,480,137
Cost of Sales (1)	5.2	(4,858,758,670)	(3,458,855,558)	(1,865,700,701)	(1,271,613,687)
Subtotal - Gross Profit		3,058,685,690	2,366,956,849	1,219,624,515	952,866,450
Selling Expenses (1)	5.3	(1,219,398,367)	(855,962,761)	(465,059,243)	(327,682,622)
Administrative Expenses (1)	5.3	(1,257,795,456)	(849,545,176)	(474,804,645)	(264,930,123)
Other Income and Expenses, net		19,478,034	1,481,223	5,588,893	(5,193,864)
Financial Costs	5.4	(172,826,431)	(113,439,583)	(55,047,742)	(33,295,777)
Other Financial Results, net	5.5	(82,568,842)	(1,753,345)	(40,426,006)	11,602,928
Financial Results		(255,395,273)	(115,192,928)	(95,473,748)	(21,692,849)
Equity in Earnings from Affiliates and Subsidiaries		38,666,583	38,653,378	8,306,404	16,168,138
Income before Income Tax and Tax on Assets		384,241,211	586,390,585	198,182,176	349,535,130
Income Tax and Tax on Assets		(193,454,717)	(191,985,402)	(92,304,408)	(117,842,395)
Income for the period from continuing operations		190,786,494	394,405,183	105,877,768	231,692,735
Discontinued Operations					
Net Income from Discontinued Operations	5.16	3,100,944,609	2,345,817,785	1,122,960,972	831,468,331
Income for the period		3,291,731,103	2,740,222,968	1,228,838,740	1,063,161,066
Other Comprehensive Income					
Items which may be reclassified to net income					
Variation in Translation Differences of Foreign Operations from Continuing Operations		8,027,822	1,782,848	1,617,992	525,759
Variation in Translation Differences of Discontinued Operations		265,661,869	(128,999,907)	210,638,685	92,156,103
Other Comprehensive Income for the period		273,689,691	(127,217,059)	212,256,677	92,681,862
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,565,420,794	2,613,005,909	1,441,095,417	1,155,842,928
Profit Attributable to:					
Shareholders of the Parent Company		1,995,483,835	1,744,216,422	767,730,540	709,873,133
Non-Controlling Interests		1,296,247,268	996,006,546	461,108,200	353,287,933
Total Comprehensive Income Attributable to:					
Shareholders of the Parent Company		2,143,591,764	1,673,868,745	866,389,459	745,889,716
Non-Controlling Interests		1,421,829,030	939,137,164	574,705,958	409,953,212
Basic and Diluted Earnings per Share from Continuing Operations		0.68	1.32	0.38	0.78
Basic and Diluted Earnings per Share from Discontinued Operations		6.26	4.75	2.29	1.69
Basic and Diluted Earnings per Share - Total		6.94	6.07	2.67	2.47

(1) Includes amortization of intangible assets and film library, and depreciation of property, plant and equipment in the amount of Ps. 128,361,588 and Ps. 93,959,918 for the nine-month periods ended September 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 SEPTEMBER 30, 2016 AND DECEMBER 31, 2015
In Argentine Pesos (Ps.)

	Notes	September 30, 2016	December 31, 2015
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5.6	743,930,191	9,026,866,357
Intangible Assets	5.7	212,104,455	258,146,566
Goodwill	5.8	274,348,582	2,907,928,844
Deferred Tax Assets		452,967,204	374,890,670
Investments in Unconsolidated Affiliates	5.9	384,603,895	1,721,354,821
Other Investments	5.10	11,377,118	458,789,781
Inventories		25,042,789	23,626,229
Other Assets		2,907,114	2,627,301
Other Receivables	5.11	136,324,337	1,389,317,682
Trade Receivables	5.12	94,623,407	82,905,052
Total Non-Current Assets		2,338,229,092	16,246,453,303
CURRENT ASSETS			
Inventories		822,909,554	490,692,852
Other Assets		8,007,446	11,456,124
Other Receivables	5.11	577,883,929	949,442,104
Trade Receivables	5.12	3,261,161,237	3,790,626,735
Other Investments	5.10	310,204,722	1,186,552,013
Cash and Banks		253,894,759	2,025,780,934
Total Current Assets		5,234,061,647	8,454,550,762
Assets Held for Distribution to Shareholders	5.16	26,035,297,913	-
Total Assets		33,607,588,652	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		740,351,567	592,243,638
Retained Earnings		6,325,552,367	4,630,068,532
Total Attributable to Shareholders of the Parent Company		9,076,542,437	7,232,950,673
Attributable to Non-Controlling Interests		3,981,787,004	3,175,288,997
Total Shareholders' Equity		13,058,329,441	10,408,239,670
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions and Other	5.13	151,316,801	432,475,314
Debt	5.14	123,457,574	4,033,351,896
Taxes Payable		65,272,208	90,524,218
Other Liabilities		63,153,543	142,185,237
Trade Payables and Other	5.15	24,770,985	19,557,018
Total Non-Current Liabilities		427,971,111	4,718,093,683
CURRENT LIABILITIES			
Debt	5.14	319,169,418	2,901,737,366
Seller Financings		16,300,560	1,874,191
Taxes Payable		219,796,940	1,152,994,701
Other Liabilities		536,993,138	465,161,856
Trade Payables and Other	5.15	2,832,882,302	5,052,902,598
Total Current Liabilities		3,925,142,358	9,574,670,712
Liabilities Held for Distribution to Shareholders	5.16	16,196,145,742	-
Total Liabilities		20,549,259,211	14,292,764,395
Total Equity and Liabilities		33,607,588,652	24,701,004,065

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GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 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)	Retained Earnings			
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	-	-	-	-	-	-	-	-	-	-	(615,331,023)	(615,331,023)
Income for the period	-	-	-	-	-	-	-	-	1,995,483,835	1,995,483,835	1,296,247,268	3,291,731,103
Other Comprehensive Income:												
Variation in Translation Differences of Foreign Operations	-	-	-	-	148,107,929	-	-	-	-	148,107,929	125,581,762	273,689,691
Balances as of September 30, 2016	<u>287,418,584</u>	<u>309,885,253</u>	<u>1,413,334,666</u>	<u>2,010,638,503</u>	<u>744,005,334</u>	<u>(3,653,767)</u>	<u>119,460,767</u>	<u>4,210,607,765</u>	<u>1,995,483,835</u>	<u>9,076,542,437</u>	<u>3,981,787,004</u>	<u>13,058,329,441</u>
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	-	-	-	-	-	-	-	-	-	-	(188,217,137)	(188,217,137)
Income for the period	-	-	-	-	-	-	-	-	1,744,216,422	1,744,216,422	996,006,546	2,740,222,968
Other Comprehensive Income:												
Variation in Translation Differences of Foreign Operations	-	-	-	-	(70,347,677)	-	-	-	-	(70,347,677)	(56,869,382)	(127,217,059)
Balances as of September 30, 2015	<u>287,418,584</u>	<u>309,885,253</u>	<u>1,413,334,666</u>	<u>2,010,638,503</u>	<u>407,106,717</u>	<u>(209,686)</u>	<u>119,460,767</u>	<u>2,625,678,396</u>	<u>1,744,216,422</u>	<u>6,906,891,119</u>	<u>3,033,384,313</u>	<u>9,940,275,432</u>

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

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

	September 30, 2016	September 30, 2015
CASH PROVIDED BY OPERATING ACTIVITIES		
Income for the period	3,291,731,103	2,740,222,968
Income Tax and Tax on Assets	193,454,717	191,985,402
Accrued Interest, net	106,016,954	113,239,108
Adjustments to reconcile net income for the period to cash provided by operating activities:		
Depreciation of Property, Plant and Equipment	81,531,250	61,038,456
Amortization of Intangible Assets and Film Library	46,830,338	32,921,462
Net of allowances	89,283,267	52,613,133
Financial Income, except interest	(55,736,422)	(89,968,308)
Equity in Earnings from Affiliates and Subsidiaries	(38,666,583)	(38,653,378)
Other Income and Expenses	(34,263,512)	(13,100,087)
Net Income from Discontinued Operations	(3,100,944,609)	(2,345,817,785)
Changes in Assets and Liabilities:		
Trade Receivables	(658,702,227)	(532,048,543)
Other Receivables	(130,028,093)	(73,107,561)
Inventories	(340,834,871)	(151,126,485)
Other Assets	3,168,865	1,874,208
Trade Payables and Other	371,864,979	344,691,467
Taxes Payable	(45,623,276)	(43,035,609)
Other Liabilities	267,820,744	145,611,244
Provisions	(63,435,958)	(27,542,098)
Income Tax and Tax on Assets Payments	(358,969,148)	(168,997,110)
Net Cash Flows Provided by Discontinued Operating Activities (See Note 5.16)	6,626,367,640	4,395,091,363
Net Cash Flows Provided by Operating Activities	6,250,865,158	4,595,891,847
CASH PROVIDED BY INVESTMENT ACTIVITIES		
Acquisition of Property, Plant and Equipment, net	(236,114,334)	(94,282,347)
Acquisition of Intangible Assets	(121,628,457)	(39,168,909)
Payments for Acquisition of Subsidiaries, Net of Cash Acquired	(1,572,823)	(10,597,033)
Proceeds from Sale of Property, Plant and Equipment and other	35,680,366	14,408,086
Dividends collected	2,375,400	41,444,068
Transactions with Securities, Bonds and Other Financial Instruments, Net	2,359,421	73,278,485
Collections of Certificates of Deposit	10,199,505	211,196,549
Net Cash Flows used in Discontinued Investment Activities (See Note 5.16)	(8,205,592,681)	(4,512,303,735)
Net Cash Flows used in Investment Activities	(8,514,293,603)	(4,316,024,836)
CASH PROVIDED BY FINANCING ACTIVITIES		
Loans Obtained	606,581,796	204,438,886
Repayment of Loans and Issue Expenses	(522,515,201)	(288,694,517)
Payment of Interest	(107,286,037)	(70,334,262)
Collections on Derivatives	59,303,370	-
Payment of Dividends	(300,000,000)	(125,000,000)
Payments to Non-Controlling Interests, net	(11,916,721)	(8,880,806)
Net Cash Flows Provided by (Used in) Discontinued Financing Activities (See Note 5.16)	230,083,295	(209,148,772)
Net Cash Flows used in Financing Activities	(45,749,498)	(497,619,471)
Financial Results Generated By Cash And Cash Equivalents from Continuing Operations	68,630,182	43,478,265
Financial Results Generated By Cash And Cash Equivalents from Discontinued Operations	793,474,356	364,929,765
FINANCING RESULTS GENERATED BY CASH AND CASH EQUIVALENTS	862,104,538	408,408,030
(Decrease) / Increase in cash flow, net	(1,447,073,405)	190,655,570
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 Closing of the Period (See Note 2.5)	3,311,440,940	1,935,633,996

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

Signed for identification purposes
with the report dated November 10, 2016See our report dated
November 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

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(Partner)
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GRUPO CLARÍN S.A.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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 14 to these Interim Condensed Consolidated Financial Statements describes the current merger/spin-off process of the Company and certain subsidiaries.

These interim condensed consolidated financial statements present the financial position, the results of operations, the changes in equity and cash flows corresponding to the balances to be spun off to the new company, as provided under IFRS. See Notes 2.3 and 5.16.

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

2.1 Basis for the preparation

Through General Resolutions No. 562/09 and No. 576/10, the Argentine Securities Commission ("CNV", for its Spanish acronym) provided for the application of Technical Resolutions ("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 nine-month period ended September 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.

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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.

The attached consolidated information, approved by the Board of Directors at the meeting held on November 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 September 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 Assets and Liabilities Held for Distribution to Shareholders

Non-current assets and liabilities (or disposal groups) are classified as assets and liabilities held for distribution to shareholders where an entity undertakes to distribute them to its shareholders, to the extent such distribution is highly likely to occur and they are available for immediate distribution in their then current conditions.

2.4 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. See 14 to these Interim Condensed Consolidated Financial Statements.

2.5 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.

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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:

	September 30, 2016	September 30, 2015
Cash and Banks	253,894,759	1,194,329,743
Short-Term Investments	282,953,871	741,304,253
Subtotal	536,848,630	1,935,633,996
Cash and cash equivalents disclosed under "Assets held for distribution to shareholders":		
Cash and Banks	1,537,266,702	-
Short-Term Investments	1,237,325,608	-
Subtotal	3,311,440,940	1,935,633,996

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 nine-month periods ended September 30, 2016 and 2015, prepared on the basis of IFRS, for the business segments identified by the Company. Notes 5.16 and 14 describe the effects of the corporate reorganization process of the Company and certain subsidiaries and the corresponding impact on the consolidated financial information as of September 30, 2016.

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GRUPO CLARÍN S.A.

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Information arising from consolidated income statements as of September 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⁾	22,360,974,646	3,803,848,341	3,065,966,280	509,214,840	-	(21,822,559,747)	7,917,444,360
Intersegment Sales	18,756,371	316,770,190	219,350,861	349,438,938	(347,145,090)	(557,171,270)	-
Net Sales	22,379,731,017	4,120,618,531	3,285,317,141	858,653,778	(347,145,090)	(22,379,731,017)	7,917,444,360
Cost of sales (excluding depreciation and amortization)	(8,385,310,431)	(2,434,790,140)	(1,866,847,548)	(522,296,567)	65,860,477	8,385,310,431	(4,758,073,778)
Subtotal	13,994,420,586	1,685,828,391	1,418,469,593	336,357,211	(281,284,613)	(13,994,420,586)	3,159,370,582
Expenses - excluding depreciation and amortization							
Selling Expenses	(2,959,507,915)	(996,493,401)	(204,119,895)	(128,979,145)	117,844,916	2,959,507,915	(1,211,747,525)
Administrative Expenses	(2,522,258,112)	(702,454,008)	(437,359,382)	(261,395,909)	163,439,697	2,522,258,112	(1,237,769,602)
Adjusted EBITDA	8,512,654,559	(13,119,018)	776,990,316	(54,017,843)	-	(8,512,654,559)	709,853,455
Depreciation of Property, Plant and Equipment							(81,531,250)
Amortization of Intangible Assets and Film Library ⁽⁴⁾							(46,830,338)
Other Income and Expenses, net							19,478,034
Financial Costs							(172,826,431)
Other Financial Results, net							(82,568,842)
Financial Results							(255,395,273)
Income from Acquisition of Companies							-
Equity in Earnings from Affiliates and Subsidiaries							38,666,583
Income Tax and Tax on Assets							(193,454,717)
Income for the period from continuing operations							190,786,494
Discontinued Operations							
Net Income from Discontinued Operations							3,100,944,609
Income for the period							3,291,731,103
Additional consolidated information as of September 30, 2016							
Acquisition of Property, Plant and Equipment	6,299,218,412	63,117,654	158,258,725	14,737,955	-	(6,299,218,412)	236,114,334
Acquisition of Intangible Assets	23,024,704	49,141,793	6,958,356	65,528,308	-	(23,024,704)	121,628,457

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

(2) Recognition of revenues from cable TV and Internet installation services and transactions including separate items, the non-consolidation of special purpose entities, and the results of discontinued operations (as disclosed in Notes 14 and 5.16) 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 September 30, 2015	Cable Television and Internet Access	Printing and Publishing	Broadcasting and Programming	Digital Content and Other	Deletions (1)	Adjustments (2)	Consolidated
Net Sales to Third Parties ⁽³⁾	14,524,326,697	2,866,279,790	2,264,971,704	248,236,443	-	(14,078,002,227)	5,825,812,407
Intersegment Sales	21,595,477	236,580,733	192,182,293	287,600,895	(270,039,451)	(467,919,947)	-
Net Sales	14,545,922,174	3,102,860,523	2,457,153,997	535,837,338	(270,039,451)	(14,545,922,174)	5,825,812,407
Cost of sales (excluding depreciation and amortization)	(5,421,148,423)	(1,769,778,951)	(1,391,780,846)	(262,617,214)	42,117,021	5,421,148,423	(3,382,059,990)
Subtotal	9,124,773,751	1,333,081,572	1,065,373,151	273,220,124	(227,922,430)	(9,124,773,751)	2,443,752,417
Expenses - excluding depreciation and amortization							
Selling Expenses	(1,709,857,145)	(737,909,962)	(145,456,004)	(70,568,823)	100,118,032	1,709,857,145	(853,816,757)
Administrative Expenses	(1,639,912,955)	(487,700,125)	(287,118,467)	(187,512,636)	127,804,398	1,639,912,955	(834,526,830)
Adjusted EBITDA	5,775,003,651	107,471,485	632,798,680	15,138,665	-	(5,775,003,651)	755,408,830
Depreciation of Property, Plant and Equipment							(61,038,456)
Amortization of Intangible Assets and Film Library ⁽⁴⁾							(32,921,462)
Other Income and Expenses, net							1,481,223
Financial Costs							(113,439,583)
Other Financial Results, net							(1,753,345)
Financial Results							(115,192,928)
Equity in Earnings from Affiliates and Subsidiaries							38,653,378
Income Tax and Tax on Assets							(191,985,402)
Income for the period from continuing operations							394,405,183
Net Income from Discontinued Operations							2,345,817,785
Income for the period							<u>2,740,222,968</u>
Additional consolidated information as of September 30, 2015							
Acquisition of Property, Plant and Equipment	2,828,041,165	37,705,873	52,392,282	4,184,192	-	(2,828,041,165)	94,282,347
Acquisition of Intangible Assets	6,494,540	28,679,810	7,565,822	2,923,277	-	(6,494,540)	39,168,909

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

(2) Recognition of revenues from cable TV and Internet installation services and transactions including separate items, the non-consolidation of special purpose entities, and the results of discontinued operations (Note 14), corresponding to the Cable Television, Internet Access and Telephony Services segment.

(3) Includes also sales to unconsolidated companies.

(4) Amortization of film rights acquired in perpetuity.

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

	September 30, 2016	September 30, 2015
Advertising Sales	3,928,240,965	3,109,061,572
Circulation Sales	2,081,014,820	1,468,367,834
Printing Services Sales	273,029,845	243,569,340
TV Signals Sales	414,058,896	279,572,095
Other Sales	1,221,099,834	725,241,566
Total	7,917,444,360	5,825,812,407

5.2. - Cost of Sales

	September 30, 2016	September 30, 2015
Inventories at the beginning of the year	517,702,414	301,223,085
Reclassification of inventories as assets held for distribution to shareholders	(4,921,974)	(7,493,019)
Purchases for the year	1,467,781,726	997,449,937
Production and Services Expenses (Note 5.3)	3,731,811,815	2,609,724,498
Less: Inventories at period-end	(853,615,311)	(442,048,943)
Cost of Sales	4,858,758,670	3,458,855,558

5.3 - Production and Services, Selling and Administrative Expenses

Item	Production and Services Expenses	Selling Expenses	Administrative Expenses	Total as of September 30, 2016	Total as of September 30, 2015
Fees for Services	372,005,126	126,083,434	232,506,529	730,595,089	448,420,268
Salaries, Social Security and Benefits to Personnel ⁽¹⁾	1,888,565,925	293,211,175	712,901,259	2,894,678,359	2,198,394,944
Advertising and Promotion Expenses	-	249,483,297	957,272	250,440,569	182,615,033
Taxes, Duties and Contributions	72,806,443	55,816,953	24,070,247	152,693,643	107,558,172
Bad Debts	-	20,329,007	-	20,329,007	16,238,002
Travel Expenses	102,607,195	11,276,749	23,906,286	137,790,230	95,306,701
Maintenance Expenses	138,357,652	2,909,055	41,681,008	182,947,715	109,466,549
Distribution Expenses	171,404,003	345,919,971	-	517,323,974	358,054,938
Communication Expenses	22,943,922	13,628,032	8,703,217	45,275,171	26,148,069
Contingencies	4,328,872	295,738	61,981,996	66,606,606	35,233,974
Stationery and Office Supplies	8,519,543	2,344,379	6,593,857	17,457,779	12,100,669
Commissions	-	34,108,418	1,212,792	35,321,210	21,261,634
Productions and Co-Productions	290,219,006	-	-	290,219,006	226,519,544
Printing Expenses	53,029,748	-	-	53,029,748	20,603,110
Rights	76,229,825	-	-	76,229,825	15,307,117
Services and Satellites	75,711,092	1,253,568	32,897,372	109,862,032	66,702,398
Severance Payments	105,790,134	20,846,690	47,425,203	174,062,027	36,469,561
Non-Computable VAT	31,761,531	-	-	31,761,531	27,717,061
Rentals	119,572,574	2,735,303	4,788,675	127,096,552	96,264,082
Amortization of Intangible Assets	25,813,858	5,167,314	12,954,224	43,935,396	30,119,204
Amortization of Film Library	2,894,942	-	-	2,894,942	2,802,258
Depreciation of Property, Plant and Equipment	71,976,092	2,483,528	7,071,630	81,531,250	61,038,456
Impairment of Inventories and Obsolescence of Materials	2,347,654	-	-	2,347,654	1,141,157
Other Expenses	94,926,678	31,505,756	38,143,889	164,576,323	119,749,534
Total as of September 30, 2016	3,731,811,815	1,219,398,367	1,257,795,456	6,209,005,638	
Total as of September 30, 2015	2,609,724,498	855,962,761	849,545,176		4,315,232,435

(1) As of September 30, 2016, it includes a recovery of approximately Ps. 247 million from the calculation of employer's contributions as tax credit on VAT by certain subsidiaries (Decree No. 746/03 issued by the Executive Branch), as mentioned in Notes 8.3.h. and 8.3.i to the Company's consolidated financial statements as of December 31, 2015.

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

See our report dated
November 10, 2016

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

CARLOS ALBERTO PEDRO DI CANDIA
Chairman of the Supervisory Committee

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5.4 - Financial Costs

	September 30, 2016	September 30, 2015
Financial Discounts on Liabilities	(1,167,184)	-
Interest	(152,328,770)	(113,439,583)
Exchange Differences	(18,238,448)	-
Other Financial Costs	(1,092,029)	-
Total	(172,826,431)	(113,439,583)

5.5 – Other Financial Results, net

	September 30, 2016	September 30, 2015
Exchange Differences	(5,467,641)	13,188,270
Interest	46,311,816	200,475
Financial Discounts on Assets and Liabilities	(9,072,515)	(7,446,872)
Other Taxes and Expenses	(126,520,527)	(90,307,417)
Results from transactions with securities and bonds	(211,716)	85,346,115
CER Restatement	(183,404)	(1,459,136)
Income from Changes in the Fair Value of Financial Instruments	12,575,145	(1,274,780)
Total	(82,568,842)	(1,753,345)

5.6 - Property, Plant and Equipment

Main Account	Residual Value as of September 30, 2016	Residual Value as of December 31, 2015
Real Property	328,901,905	402,141,835
Furniture and Fixtures	16,693,665	25,577,743
Telecommunication, Audio and Video Equipment	50,356,522	44,581,228
External Network and Broadcasting Equipment	-	4,859,085,712
Computer Equipment	76,989,881	373,162,262
Technical Equipment	8,497,168	34,587,549
Workshop Machinery	75,015,575	82,446,103
Tools	253,242	32,311,108
Spare Parts	18,875,118	14,098,975
Installations	78,154,229	84,612,518
Vehicles	6,028,456	160,424,243
Plots	-	494,099
Materials in Warehouse	-	1,615,863,948
Works-In-Progress	64,890,847	1,303,616,022
Leasehold Improvements	19,273,583	16,564,636
Subtotal	743,930,191	9,049,567,981
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	-	(22,701,624)
	743,930,191	9,026,866,357

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The following table details the changes in property, plant and equipment for the nine-month period ended September 30, 2016 and the equivalent period of the previous year:

	2016	2015
Balances as of January 1 st	9,026,866,357	6,385,233,310
Reclassification as Assets Held for Distribution to Shareholders	(8,436,988,464)	-
Additions	210,576,283	2,918,971,419
Retirements	(846,318)	(174,631,143)
Transfers and other movements	25,853,583	(15,048,951)
Depreciation	(81,531,250)	(1) ⁽¹⁾ (1,161,895,862)
Balances as of September 30	743,930,191	7,952,628,773

⁽¹⁾ Includes Ps. 1,101 million corresponding to depreciation disclosed under Income from Discontinued Operations.

5.7 - Intangible Assets

Main Account	Residual Value as of September 30, 2016	Residual Value as of December 31, 2015
Exploitation Rights and Licenses	4,859,147	7,510,886
Exclusivity Agreements	19,857,667	4,927,248
Other Rights	5,093,743	1,189,639
Acquisition Value of Subscriber Portfolio	-	76,605,540
Software	81,886,713	125,292,855
Trademarks and Patents	42,586,100	6,601,801
Projects in-Progress	36,867,956	5,793,094
Other	20,953,129	30,225,503
	212,104,455	258,146,566

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

	2016	2015
Balances as of January 1 st	258,146,566	340,548,233
Additions	121,628,459	46,501,553
Reclassification as Assets Held for Distribution to Shareholders	(123,816,013)	-
Retirements	(838,746)	(822,679)
Transfers and other movements	919,585	464,858
Amortization	(43,935,396)	(1) ⁽¹⁾ (127,897,951)
Balances as of September 30	212,104,455	258,794,014

⁽¹⁾ Includes Ps. 98 million corresponding to amortization disclosed under Income from Discontinued Operations.

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5.8 – Goodwill

Main Account	Residual Value	Allowance for Goodwill impairment	Net balances as of September 30, 2016	Net balances as of December 31, 2015
Cablevisión and subsidiaries ⁽¹⁾	-	-	-	2,615,659,205
PRIMA	-	-	-	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	44,987,981	(6,056,130)	38,931,851	35,520,814
Total	373,006,100	(98,657,518)	274,348,582	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 September 30, 2016	Value Recorded as of December 31, 2015
Included in assets					
Interest in Associates					
NEXTEL ⁽³⁾	Telecommunication Services	Argentina	49.00 ⁽²⁾	-	1,201,022,798
Papel Prensa	Manufacturing of Newsprint	Argentina	49.00	170,678,139	184,597,852
Ver TV S.A. ⁽³⁾	Cable Television Station	Argentina	49.00	-	102,895,887
TPO ⁽³⁾	Closed-Circuit Television	Argentina	47.00	-	10,822,223
TATC ⁽³⁾	Cable Television Station	Argentina	49.99	-	5,707,520
La Capital Cable ⁽³⁾	Closed-Circuit Television	Argentina	49.00	-	20,523,128
TSMA ⁽³⁾	Cable Television Station	Argentina	49.10	-	31,760,343
Other Investments				8,081,043	6,601,046
Interests in Joint Operations					
TSC	Exploitation of events television broadcasting rights	Argentina	50.00	8,757,106	7,752,297
TRISA	Production and exploitation of sports events, advertising agency and financial and investing operations	Argentina	50.00	129,646,977	91,518,852
Canal Rural	Audiovisual production and sale of advertising	Argentina	24.99	6,429,512	4,268,968
Impripost	Variable printing	Argentina	50.00	9,427,393	10,605,383
AGL	Printing	Argentina	50.00	14,527,734	14,188,981
Ríos de Tinta	Editorial activities	Mexico	50.00	11,305,540	11,872,296
Patagonik	Film producer	Argentina	33.33	25,750,451	17,217,247
				<u>384,603,895</u>	<u>1,721,354,821</u>
Included in liabilities					
Interests in Joint Operations					
VLG ⁽³⁾	Investing and financing	USA	50.00	-	9,873,368
				<u>-</u>	<u>9,873,368</u>

⁽¹⁾ Interest in capital stock and votes.

⁽²⁾ Interest as of December 31, 2015. See Notes 11.a. and 14.

⁽³⁾ See Note 14.

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5.10 – Other Investments

	September 30, 2016	December 31, 2015
Non-Current		
Financial Instruments	11,377,118	458,789,781
	<u>11,377,118</u>	<u>458,789,781</u>
Current		
Financial Instruments	97,322,718	71,250,926
Securities	18,360,561	156,069,384
Mutual Funds	194,521,443	959,231,703
	<u>310,204,722</u>	<u>1,186,552,013</u>

5.11 – Other Receivables

	September 30, 2016	December 31, 2015
Non-Current		
Tax Credits	116,661,055	91,786,409
Guarantee Deposits	7,374,093	7,307,156
Prepaid Expenses	-	38,080,166
Advances	1,125,762	111,084,501
Related Parties	8,853,406	9,212,575
Call Option - NEXTEL	-	1,103,673,966
Other	3,877,601	29,740,489
Allowance for Other Bad Debts	<u>(1,567,580)</u>	<u>(1,567,580)</u>
	<u>136,324,337</u>	<u>1,389,317,682</u>
Current		
Tax Credits	206,263,737	231,318,592
Court-ordered and Guarantee Deposits	4,966,556	52,292,908
Prepaid Expenses	59,311,086	194,699,118
Advances	154,671,008	186,029,228
Related Parties	39,095,019	22,304,023
Derivatives	-	58,356,225
Sundry Receivables	31,292,284	50,114,718
Other	83,431,091	155,474,144
Allowance for Other Bad Debts	<u>(1,146,852)</u>	<u>(1,146,852)</u>
	<u>577,883,929</u>	<u>949,442,104</u>

5.12 – Trade Receivables

	September 30, 2016	December 31, 2015
Non-Current		
Trade Receivables	94,623,407	82,905,052
	<u>94,623,407</u>	<u>82,905,052</u>
Current		
Trade Receivables	3,222,606,003	4,039,922,312
Related Parties	120,000,341	20,077,281
Allowance for Bad Debts	<u>(81,445,107)</u>	<u>(269,372,858)</u>
	<u>3,261,161,237</u>	<u>3,790,626,735</u>

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5.13 – Provisions and Other

	September 30, 2016	December 31, 2015
Non-Current		
Provisions for Lawsuits and Contingencies	146,922,059	418,452,169
Accrual for Asset Retirement	4,394,742	14,023,145
	<u>151,316,801</u>	<u>432,475,314</u>

5.14 – Debt

The following table details the changes in loans and indebtedness for the nine-month period ended September 30, 2016 and the equivalent period of the previous year:

	2016	2015
Balances as of January 1 st	6,935,089,262	4,601,431,123
New Loans and Indebtedness	606,581,796	1,215,962,573
Accrued Interest	151,712,517	538,418,179
Other Financial Effects	111,849	402,150,141
Payment of Interest	(107,183,733)	(553,024,635)
Payment of Principal	(522,515,201)	(846,713,530)
Reclassification as Liabilities Held for Distribution to Shareholders	(6,621,169,498)	-
Balances as of September 30	<u>442,626,992</u>	<u>5,358,223,851</u>

5.14.1 – Cablevisión

On February 9, 2015, pursuant to the powers delegated by the shareholders at the Annual General Extraordinary and Ordinary Shareholders' Meeting of Cablevisión held on April 28, 2014, the Board of Directors of Cablevisión approved the issuance, under the Global Program [for the Issuance of] Notes (the "Program"), 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 to refinance a portion of the debt represented by the outstanding Notes, which were 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 Short-Term Debt Securities ("VCPs", for its Spanish acronym) 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:

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- i) The redemption of the aggregate amount of outstanding principal under the Class 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 on transactions with shareholders and affiliates under certain conditions, (v) limitation on the issuance and sale of significant subsidiaries' shares with certain exceptions and (vi) the limitation on the distribution of dividends for an amount not exceeding USD 50.0 million for fiscal year 2016 and USD 15 million for the subsequent years or up to a maximum of 50% of consolidated net income of each fiscal year, among others.

As it is described above, on June 16, 2016, Cablevisión redeemed the aggregate amount of the outstanding principal under the Class 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 use of proceeds established in the pricing supplement of the Class A Notes.

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 funds established in the pricing supplement of the Class A Notes.

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. In June 2016, this loan was 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. In October 2016, this loan was cancelled.

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GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

On October 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 27.5% with final maturity in January 2017, for the purpose of increasing its working capital to finance the development of its core business.

On September 20, 2016, Nextel executed a financial loan agreement with Banco Itaú Argentina S.A. for USD 3.5 million at an annual fixed nominal interest rate of 5% with final maturity in September 2017, for the purpose of increasing its working capital to finance the development of its core business.

5.14.2 – AGEA and subsidiaries

As of September 30, 2016, AGEA had executed overdraft facility agreements with banks for a maximum of Ps. 40 million for a maximum term of 31 days. Those overdraft facilities accrue interest at a fixed annual rate of approximately 30.5%. In addition, as of September 30, 2016, AGR and Tinta Fresca had executed overdraft facility agreements with banks for a maximum of Ps. 50 million and Ps. 41 million, respectively.

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.

5.15 - Trade Payables and Other

	September 30, 2016	December 31, 2015
Non-Current		
Suppliers and Trade Provisions	1,623,380	1,692,559
Employer's Contributions	23,147,605	17,864,459
	<u>24,770,985</u>	<u>19,557,018</u>
Current		
Suppliers and Trade Provisions	1,964,273,531	3,309,897,561
Related Parties	72,172,376	94,905,781
Employer's Contributions	796,436,395	1,648,099,256
	<u>2,832,882,302</u>	<u>5,052,902,598</u>

5.16 – Assets and liabilities held for distribution to shareholders and discontinued operations

As described in Note 14 to the interim condensed consolidated financial statements as of September 30, 2016, certain assets and liabilities have been classified as of that date as “Assets held for distribution to shareholders” and as “Liabilities held for distribution to shareholders”, respectively, as required under IFRS.

The following is a detail of those consolidated assets and liabilities disclosed under “Assets held for distribution to shareholders” and “Liabilities held for distribution to shareholders” as of September 30, 2016 (in millions of Argentine Pesos):

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	September 30, 2016
ASSETS	
NON-CURRENT ASSETS	
Property, Plant and Equipment	13,517
Intangible Assets	1,938
Goodwill	3,479
Deferred Tax Assets	115
Investments in Unconsolidated Affiliates	251
Other Investments	432
Other Receivables	245
Total Non-Current Assets	19,977
CURRENT ASSETS	
Inventories	229
Other Receivables	669
Trade Receivables	1,864
Other Investments	1,759
Cash and Banks	1,537
Total Current Assets	6,058
Total Assets Held for Distribution to Shareholders	26,035
LIABILITIES	
NON-CURRENT LIABILITIES	
Provisions and Other	798
Deferred Tax Liabilities	538
Debt	8,367
Taxes Payable	4
Other Liabilities	119
Total Non-Current Liabilities	9,826
CURRENT LIABILITIES	
Debt	1,096
Taxes Payable	1,317
Other Liabilities	283
Trade Payables and Other	3,674
Total Current Liabilities	6,370
Total Liabilities Held for Distribution to Shareholders	16,196

In connection with the same situations mentioned above, the following is a detail of the results for the nine-month periods ended September 30, 2016 and 2015, classified as discontinued operations in these interim condensed consolidated financial statements (in millions of Argentine Pesos):

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	September 30, 2016	September 30, 2015
Revenues	22,237	14,624
Cost of Sales ⁽¹⁾	(10,203)	(6,739)
Subtotal - Gross Profit	12,034	7,885
Selling Expenses ⁽¹⁾	(3,062)	(1,768)
Administrative Expenses ⁽¹⁾	(2,581)	(1,664)
Income from Acquisition of Companies	114	-
Other Income and Expenses, net	(2)	2
Financial Costs	(2,033)	(883)
Other Financial Results	115	(177)
Financial Results, net	(1,918)	(1,060)
Equity in Earnings from Affiliates and Subsidiaries	71	57
Income before Income Tax and Tax on Assets	4,656	3,452
Income Tax and Tax on Assets	(1,555)	(1,106)
Net Income from Discontinued Operations	3,101	2,346

⁽¹⁾ Includes amortization of intangible assets, and depreciation of property, plant and equipment in the amount of Ps. 1.786 million and Ps. 1.199 million for the nine-month periods ended September 30, 2016 and 2015, respectively.

In connection with the same situations mentioned above, the following is a detail of the cash flows for the nine-month periods ended September 30, 2016 and 2015, classified as discontinued operations in these interim condensed consolidated financial statements (in millions of Argentine Pesos):

	September 30, 2016	September 30, 2015
CASH PROVIDED BY OPERATING ACTIVITIES		
Net Income from Discontinued Operations	3.101	2.346
Income Tax and Tax on Assets	1.555	1.106
Accrued Interest, net	334	224
Adjustments to reconcile net income for the period to cash provided by discontinued operations:		
Depreciation of Property, Plant and Equipment	1.677	1.101
Amortization of Intangible Assets and Film Library	109	98
Net allowances	340	201
Financial Income, except interest	935	145
Equity in Earnings from Affiliates and Subsidiaries	(71)	(57)
Income from Acquisition of Associates	(114)	-
Other Income and Expenses	(2)	-
Retirement of Property, Plant and Equipment, Net	299	171
Retirement of Intangible Assets, Net	3	-
Changes in Assets and Liabilities	(449)	(311)
Income Tax and Tax on Assets Payments	(1.091)	(629)
Net Cash Flows Provided by Discontinued Operating Activities	6.626	4.395
CASH PROVIDED BY INVESTMENT ACTIVITIES		
Acquisition of Property, Plant and Equipment, net	(6.299)	(2.828)
Acquisition of Intangible Assets	(23)	(6)
Payments for Acquisition of Subsidiaries, Net of Cash Acquired	(2.032)	(685)
Acquisition of Call Option	-	(789)
Proceeds from Sale of Property, Plant and Equipment and other	3	-
Dividends collected	1	40
Collections of Interest	19	1
Transactions with Securities, Bonds and Other Financial Instruments, Net	125	(245)
Net Cash Flows used in Discontinued Investment Activities	(8.206)	(4.512)
CASH PROVIDED BY FINANCING ACTIVITIES		
Loans Obtained	7.743	1.012
Repayment of Loans and Issue Expenses	(6.279)	(539)
Payment of Interest	(653)	(496)
Collections (Settlement) on Derivatives	22	(8)
Payments to Non-Controlling Interests, net	(603)	(178)
Net Cash Flows provided by / (used in) Discontinued Financing Activities	230	(209)

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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.

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

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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 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.

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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 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.

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That process was granted administrative approval by the CNV and was registered with the *Inspección General de Justicia* (Argentine Superintendency of Legal Entities, "IGJ") under No. 9,448, Book 79 Volume – Stock Companies on June 7, 2016.

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 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.

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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.

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.

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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.

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.

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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 until 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. It was subsequently postponed until June 3, 2016. At that hearing, held on June 3, 2016, Papel Prensa, the Company and the other shareholders present at the hearing (the National Government, S.A. La Nación and CIMECO) requested that the procedural periods remain suspended in connection with the claims pending before that Court of Appeals, and also requested the court to order a shareholders' meeting of Papel Prensa to be held on September 20, 2016 to address, basically, the issues included under subsections 1, 2 and 3 of Section 234 of Law No. 19,550, as amended, corresponding to fiscal years ended December 31, 2010, 2011, 2012, 2013, 2014 and 2015. On September 5, 2016, the Court of Appeals called for a shareholders' meeting as requested at the hearing held on June 3, 2016, and at the request of Papel Prensa and the National Government –in view of the urgent and impending terms to make the required publications– on September 8, 2016 it postponed the date of the shareholders meeting until October 19, 2016.

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.

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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.

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 Projects submitted by Cablevisión and its subsidiaries that exploit telecommunication services, within the framework of SECOM Resolution No. 9/2011 which created the program “Infrastructure and Equipment”, 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 was 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 included “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 sought to make private companies that were created and developed in competition share their networks with other companies that had not made any investments.

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The foregoing applied to any provider that had 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 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."

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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.
- 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 has completed 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

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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 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

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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. 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.

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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.

The filing included a request for a change in the allocation of a portion of the spectrum that corresponds to the licensees acquired by the Company in order to provide 4G services.

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

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 seven decisions, whereby it declared the unconstitutionality of Sections 39 subsection 3, 55, 56 subsection 1, 60 point C, 98 subsection 2, 117 subsection 5, 143 and 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

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NOTE 8 – FINANCIAL INSTRUMENTS

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.

	(in millions of Argentine pesos)	(in millions of Argentine pesos)
	September 30, 2016	December 31, 2015
ASSETS		
Other Receivables	85	95
Trade Receivables	150	626
Other Investments	61	488
Cash and Banks	65	1,501
Total assets	361	2,710
LIABILITIES		
Debt	-	6,092
Seller financings	13	2
Other Liabilities	11	70
Trade Payables and Other	504	667
Total Liabilities	528	6,831

8.1 Financial Instruments at Fair Value

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(Level 2). At the closing of the reporting period and year, Grupo Clarín did not have financial assets or liabilities at fair value for which a comparison had not been conducted against observable market data to determine their fair value (Level 3).

8.2 Fair Value of Financial Instruments

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

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

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

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

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

	September 30, 2016		December 31, 2015	
	Book Value	Fair Value	Book Value	Fair Value
Non-Current Debt	123	80	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

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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 process to pay fractions in cash and change the nominal value [of the company's shares] 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 would continue to be controlled and operated by the Sellers until the option to acquire the remaining 51% of the capital stock had been exercised.

As of December 31, 2015, the call option was not legally exercisable and uncertainties remained regarding the obtainment of the required regulatory authorization. As of December 31, 2015, Cablevisión did not have control over Nextel taking into consideration the elements provided under IFRS 10. Therefore, it did not consolidate Nextel as of such date. In January 2016, the regulatory framework changed and the regulatory authorization of the transaction was no longer necessary.

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In addition, 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, taking into consideration that the valuation of its identifiable assets, liabilities and contingent liabilities in proportion to its equity interest exceeds the acquisition cost.

The following is the additional information required under IFRS in connection with business combinations.

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

	As of Acquisition Date
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)
Income from 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.

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As of September 30, 2016, Cablevisión has concluded the process of allocating the purchase price of 100% (97% to Nextel and the remaining 3% to the Company) of the capital stock of Fibercomm S.A. and Gridley Investments S.A., both owners of 100% of the capital stock of Trixco S.A., and calculated goodwill from this acquisition in the amount of Ps. 801.7 million.

The following is the additional information required under IFRS in connection with business combinations.

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	10.3
Other Investments	2.1
Trade Receivables	5.7
Other Receivables	14.1
Other Non-Current Receivables	3.0
Property, Plant and Equipment	18.5
Intangible Assets	1,860.6
Trade Payables and Other	(18.3)
Taxes Payable	(9.9)
Other Debts	(0.6)
Deferred Tax Liabilities	(651.2)
Identifiable assets acquired, net	1,234.3
Goodwill	801.7
Total consideration transferred	<u>2,036.0</u>

- c. On June 30, 2016, the Company, as the sole shareholder, formed a new subsidiary, "GCSA Equity, LLC".
- d. 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.
- e. On August 16, 2016, the Board of Directors of Cablevisión approved the Pre-Merger Commitment executed between that Company, Copetonas Video Cable S.A., Dorrego Televisión S.A., Fintelco S.A., Indio Rico Cable Color S.A., Primera Red Interactiva de Medios Argentinos (PRIMA) S.A., Cable Video SUR S.A., Wolves Televisión S.A. and Tres Arroyos Televisora Color S.A., whereby, on the effective date of the merger -October 1, 2016- ("Effective Date of the Merger"), Cablevisión, as absorbing company, will continue with the operations of Copetonas Video Cable S.A., Dorrego Televisión S.A., Fintelco S.A., Indio Rico Cable Color S.A., Primera Red Interactiva de Medios Argentinos (PRIMA) S.A., Cable Video SUR S.A., Wolves Televisión S.A. and Tres Arroyos Televisora Color S.A. (the "Absorbed Companies"), thus generating the corresponding operating, accounting and tax effects. As a result of the above-mentioned corporate reorganization process, the Absorbed Companies will be dissolved without liquidation and Cablevisión S.A. will assume all the activities, receivables, property and all the rights and obligations of the above-mentioned companies, existing on the Effective Date of the Merger, or any that may exist or arise due to previous or subsequent acts or activities.

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

In view of the above, Cablevisión made a filing with the ENACOM in order to inform that Agency of the corporate reorganization to be implemented, and consequently registering under the name of the absorbing company, the "Area Authorizations" required to exploit Cable Television Services corresponding to Copetonas Video Cable S.A., Dorrego Televisión S.A., Indio Rico Cable Color S.A.,

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Cable Video Sur S.A., and Tres Arroyos Televisora Color S.A. The license for Wolves Televisión S.A. was abandoned because Cablevisión already has an Area Authorization in the jurisdiction where Wolves Televisión S.A. exploited the Cable Television Service. In addition, PRIMA and Cablevisión made a filing with the ENACOM in order to request that Agency to register the license that had been granted to PRIMA in favor of Cablevisión as a consequence of the corporate reorganization process.

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

NOTE 12 - LAW No. 26,831 CAPITAL MARKETS

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

On July 29, 2013, the National Government issued Decree No. 1023/2013 to regulate partially the Capital Markets Law that had been passed on November 29, 2012. Among other provisions, the Decree regulates Section 20 of said Law, pursuant to which the CNV may appoint an overseer with veto rights over the decisions made by the boards of directors of entities subject to the public offering regime, or otherwise remove the boards from such entities for up to 180 days until all deficiencies found by the CNV are solved. Said 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

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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 - THE COMPANY'S CORPORATE REORGANIZATION PROCESS

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

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

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

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

The effective date of the Spin-off (the "Effective Date of the Spin-off") will be the first day of the month following the date on which the latest of the following registrations is completed: (i) the registration of the Corporate Reorganization with the IGJ, or (ii) the registration of the incorporation of Cablevisión Holding S.A. with the IGJ. As of the Effective Date of the Spin-off, Cablevisión Holding S.A. will begin its activities on its own account, the accounting effects of the Spin-off will become effective, and the operations, risks and benefits described in the Prospectus published by the Company will be transferred to Cablevisión Holding S.A.

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

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

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

NOTE 15 – 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. In connection with Note 6.3 to these interim condensed consolidated financial statements, on October 19, 2016, the shareholders of Papel Prensa duly held the court-convened Shareholders' Meeting of that company. At that Shareholders' Meeting, the shareholders approved the financial statements of Papel Prensa for the years ended December 31, 2010, 2011, 2012, 2013, 2014 and 2015 and other accounting documentation under subsection 1, Section 234 of Law No. 19,550, as amended, appointed directors, statutory auditors and members of the supervisory committee for the year 2016, approved the capitalization of the capital adjustment for Ps. 123,293,385, issued a decision on the approval and disapproval of the performance of certain directors, statutory auditors and members of the supervisory committee during the full fiscal years under consideration, and unanimously appointed external auditors engaged with issuing an opinion on the financial statements of Papel Prensa as of December 31, 2016 and March 31, 2017. In connection with the decisions made at the Shareholders' Meeting held on October 19, 2016 by the shareholders that are parties to judicial proceedings, the resumption of the court-convened Shareholders' Meeting of Papel Prensa that began on August 29, 2012 has become moot, and the Company understands that the great majority of the issues involving the conflict related to Papel Prensa have become or will become moot.

NOTE 16 - 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 November 10, 2016.

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Chairman

SUPPLEMENTARY FINANCIAL INFORMATION

As of September 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 Muy.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 affordable.

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 Joven 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

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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.

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. Eighty per cent of the proceeds was used to refinance liabilities (lowering the average interest rate) and the remaining 20% is being used by the company for strategic investments, both in network quality and reach.

On September 28, the shareholders of Grupo Clarín decided to implement the merger - spin-off process proposed by the Board of Directors during the month of August, mentioned in Note 14 to the consolidated financial statements. First, certain subsidiaries of Grupo Clarín will be merged into the Company, and the Company will subsequently spin off a portion of its equity to create a new company under the name Cablevisión Holding S.A. (CVH). Grupo Clarín will retain and continue with all the activities, operations, assets and liabilities that are not specifically allocated to CVH. The effective date of the Spin-off will be the first day of the month following the date on which the latest of the following registrations is completed: (i) the registration of the Corporate Reorganization with the IGJ, or (ii) the registration of the incorporation of CVH with the IGJ.

Grupo Clarín will continue to be subject to the public offering regime in Argentina and CVH will request authorization to be admitted to the above-mentioned public offering regime in Argentina. The new company may also apply to have its shares listed and admitted to trading on one or more local or foreign stock exchanges and/or markets.

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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.

	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013	September 30, 2012
Non-current assets	2,338,229	14,210,331	10,541,115	9,007,799	7,942,475
Current assets	5,234,062	7,677,335	5,682,772	4,046,130	3,277,882
Assets held for sale	-	-	146,337	-	250,269
Assets Held for Distribution to Shareholders	26,035,298	165,869	-	-	-
Total Assets	33,607,589	22,053,535	16,370,225	13,053,930	11,470,626
Equity of the Parent Company	9,076,542	6,906,891	5,184,184	4,447,597	3,850,266
Equity of Non-Controlling Interests	3,981,787	3,033,384	2,117,368	1,571,320	1,251,307
Total Equity	13,058,329	9,940,275	7,301,552	6,018,917	5,101,573
Non-current liabilities	427,971	3,368,890	3,624,507	3,077,687	3,273,680
Current liabilities	3,925,142	8,744,370	5,444,166	3,957,326	3,078,019
Liabilities held for sale	-	-	-	-	17,354
Liabilities Held for Distribution to Shareholders	16,196,146	-	-	-	-
Total Liabilities	20,549,259	12,113,260	9,068,673	7,035,013	6,369,053
Total Equity and Liabilities	33,607,589	22,053,535	16,370,225	13,053,930	11,470,626

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.

	September 30, 2016	September 30, 2015	September 30, 2014 ⁽²⁾	September 30, 2013 ⁽²⁾	September 30, 2012 ⁽²⁾
Operating income/loss from continuing operations (1)	581,493	661,449	2,511,721	1,487,905	1,388,317
Financial Results	(255,395)	(115,193)	(1,472,140)	(910,034)	(592,762)
Income from Acquisition of Companies	-	-	-	-	-
Equity in Earnings from Affiliates and Subsidiaries	38,667	38,653	28,298	65,217	18,424
Other Income and Expenses, net	19,478	1,481	2,050	848	1,784
Income before Income Tax and Tax on Assets	384,241	586,391	1,069,929	643,937	815,763
Income Tax and Tax on Assets	(193,455)	(191,985)	(327,298)	(203,991)	(309,263)
Income for the period from continuing operations	190,786	394,405	742,631	439,946	506,500
Net Income from Discontinued Operations	3,100,945	2,345,818	17,973	39,519	49,966
Income for the period	3,291,731	2,740,223	760,603	479,465	556,466
Other Comprehensive Income for the period	273,690	(127,217)	481,000	173,564	75,199
Total Comprehensive Income for the Period	3,565,421	2,613,006	1,241,603	653,029	631,665

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

⁽²⁾ The amounts corresponding to the periods ended September 30, 2014, 2013 and 2012 do not include the breakdown of the results corresponding to the discontinued operations mentioned in Note 5.16.

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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.

	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013	September 30, 2012
Cash provided by (used in) Operating Activities	6,250,865	4,595,892	3,475,129	1,864,974	1,683,934
Cash provided by (used in) Investment Activities	(8,514,294)	(4,316,025)	(2,146,345)	(1,394,317)	(1,002,087)
Cash provided by (used in) Financing Activities	(45,749)	(497,619)	(1,424,011)	(563,231)	(566,702)
Total Cash provided (used) for the Year	(2,309,178)	(217,752)	(95,227)	(92,573)	115,145
Financial Results Generated By Cash And Cash Equivalents	862,105	408,408	112,034	116,245	41,483
Total Changes in Cash	(1,447,073)	190,656	16,807	23,672	156,628

5. STATISTICAL DATA

	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013	September 30, 2012
Cable TV subscribers ^{(1) (5)}	3,526,212	3,535,047	3,508,782	3,488,668	3,544,765
Cable TV homes passed ^{(2) (5)}	7,822,531	7,753,811	7,512,304	7,506,714	7,590,849
Cable TV churn ratio ⁽⁵⁾	12.8	12.4	13.6	12.5	12.2
Internet access subscribers ^{(1) (5)}	2,148,879	1,982,007	1,816,109	1,680,827	1,490,886
Newspaper circulation ⁽³⁾	239,366	264,119	278,905	300,187	314,940
Canal 13 audience share					
Prime Time ⁽⁴⁾	33.4	37.3	33.0	35.5	36.5
Total Time ⁽⁴⁾	31.4	30.1	26.3	28.2	29.6

⁽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 September 30, 2016, 2015, 2014 and 2013 it does not include the data corresponding to Cablevisión's subsidiaries in Paraguay.

6. RATIOS

	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013	September 30, 2012
Liquidity (current assets / current liabilities)	1.33	0.88	1.04	1.02	1.06
Solvency (equity / total liabilities)	0.64	0.82	0.81	0.86	0.80
Capital assets (non-current assets / total assets)	0.07	0.64	0.64	0.69	0.69

See our report dated
November 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 production of contents, strengthening its presence in the traditional media, with a growing focus on digital media. The Company seeks to leverage its positioning and access to opportunities for growth in the Argentine and regional industry to strengthen and develop its current businesses.

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

See our report dated
November 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 49 in Grupo Clarín S.A.'s interim condensed consolidated financial statements for the nine-month period ended September 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 September 30, 2016, the consolidated statements of comprehensive income for the nine and three-month period ended at September 30, 2016 and the consolidated statements of changes in equity and of cash flows for the nine-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 September 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 \$ 1,832,721.98, none of which was claimable at that date.

Autonomous City of Buenos Aires, November 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 nine-month period ended September 30, 2016,
presented on a comparative basis.

English free 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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015, AND FOR THE THREE-
MONTH PERIODS BEGINNING JULY 1 AND ENDED SEPTEMBER 30, 2016 AND 2015
 In Argentine Pesos (Ps.)

	Notes	September 30, 2016	September 30, 2015	July 1, 2016 through September 30, 2016	July 1, 2015 through September 30, 2015
Equity in Earnings from Affiliates and Subsidiaries	4.3	1,985,537,903	1,617,730,163	773,456,064	670,821,716
Management fees		133,425,000	127,130,000	44,475,000	55,430,000
Administrative Expenses (1)	5	(184,681,329)	(139,043,028)	(67,522,023)	(48,934,046)
Other Income and Expenses, net		(17,063,049)	(15,993,716)	(8,547,654)	(6,573,507)
Financial Costs	4.8	(84,758,979)	(7,147,334)	(25,969,025)	(7,147,334)
Other Financial Results, net	4.9	5,567,425	35,106,204	2,183,217	3,463,078
Financial Results		(79,191,554)	27,958,870	(23,785,808)	(3,684,256)
Income before Income Tax and Tax on Assets		1,838,026,971	1,617,782,289	718,075,579	667,059,907
Income Tax and Tax on Assets		(1,706,024)	(3,469,814)	(298,508)	(3,468,857)
Net Income from Continuing Operations		1,836,320,947	1,614,312,475	717,777,071	663,591,050
Net Income from Discontinued Operations	4.10	159,162,888	129,903,947	49,953,469	46,282,083
Income for the period		1,995,483,835	1,744,216,422	767,730,540	709,873,133
Other Comprehensive Income					
Items which may be reclassified to net income					
Variation in Translation Differences of Foreign Operations from Continuing Operations		134,930,364	(63,560,422)	89,526,116	32,679,688
Variation in Translation Differences of Foreign Operations from Discontinued Operations		13,177,565	(6,787,255)	9,132,803	3,336,895
Other Comprehensive Income for the period		148,107,929	(70,347,677)	98,658,919	36,016,583
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,143,591,764	1,673,868,745	866,389,459	745,889,716

(1) Includes depreciation of property, plant and equipment and amortization of intangible assets in the amount of Ps. 636,903 and Ps. 618,477 for the nine-month periods ended September 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 November 10, 2016

See our report dated
November 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 COMPANY ONLY BALANCE SHEET
AS OF SEPTEMBER 30, 2016 AND DECEMBER 31, 2015
 In Argentine Pesos (Ps.)

	Notes	September 30, 2016	December 31, 2015
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4.1	1,790,696	1,258,776
Intangible Assets	4.2	58,007	107,333
Deferred Tax Assets		21,739,660	31,599,563
Investments in Unconsolidated Affiliates	4.3	9,420,758,052	7,613,659,094
Other Receivables		30,000	30,000
Total Non-Current Assets		9,444,376,415	7,646,654,766
CURRENT ASSETS			
Other Receivables		188,141,433	154,514,369
Other Investments	4.4	304,992	19,848,419
Cash and Banks		2,901,879	12,193,114
Total Current Assets		191,348,304	186,555,902
Assets Held for Distribution to Shareholders	4.10	607,903,917	-
Total Assets		10,243,628,636	7,833,210,668
EQUITY (as per the corresponding statement)			
Shareholders' Contributions		2,010,638,503	2,010,638,503
Other Items		740,351,567	592,243,638
Retained Earnings		6,325,552,367	4,630,068,532
Total Equity		9,076,542,437	7,232,950,673
LIABILITIES			
NON-CURRENT LIABILITIES			
Other Liabilities	4.3	-	228,553,387
Total Non-Current Liabilities		-	228,553,387
CURRENT LIABILITIES			
Debt	4.5	763,401,798	287,999,976
Taxes Payable		4,253,318	11,239,631
Other Liabilities		8,515,450	25,837,958
Trade Payables and Other		42,295,772	46,629,043
Total Current Liabilities		818,466,338	371,706,608
Liabilities Held for Distribution to Shareholders	4.10	348,619,861	-
Total Liabilities		1,167,086,199	600,259,995
Total Equity and Liabilities		10,243,628,636	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 November 10, 2016

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

CARLOS ALBERTO PEDRO DI CANDIA
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JORGE CARLOS RENDO
Chairman

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

GRUPO CLARÍN S.A.
PARENT COMPANY ONLY STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 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)	Retained Earnings	
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	-	-	-	-	-	-	-	-	1,995,483,835	1,995,483,835
Other Comprehensive Income:										
Variation in Translation Differences of Foreign Operations	-	-	-	-	148,107,929	-	-	-	-	148,107,929
Balances as of September 30, 2016	287,418,584	309,885,253	1,413,334,666	2,010,638,503	744,005,334	(3,653,767)	119,460,767	4,210,607,765	1,995,483,835	9,076,542,437
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	-	-	-	-	-	-	-	-	1,744,216,422	1,744,216,422
Other Comprehensive Income:										
Variation in Translation Differences of Foreign Operations	-	-	-	-	(70,347,677)	-	-	-	-	(70,347,677)
Balances as of September 30, 2015	287,418,584	309,885,253	1,413,334,666	2,010,638,503	407,106,717	(209,686)	119,460,767	2,625,678,396	1,744,216,422	6,906,891,119

(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 November 10, 2016

See our report dated
November 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

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

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

	September 30, 2016	September 30, 2015
CASH PROVIDED BY OPERATING ACTIVITIES		
Income for the period	1,995,483,835	1,744,216,422
Income Tax and Tax on Assets	1,706,024	3,469,814
Accrued Interest, net	15,159,111	283,032
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	636,903	618,477
Exchange Differences and Other Financial Results	60,343,657	(31,915,216)
Equity in Earnings from Affiliates and Subsidiaries	(1,985,537,903)	(1,617,730,163)
Net Income from Discontinued Operations	(159,162,888)	(129,903,947)
Other Income and Expenses	(529,596)	-
Changes in Assets and Liabilities:		
Other Receivables	(34,958,218)	(48,134,245)
Trade Payables and Other	(4,980,074)	(3,397,534)
Taxes Payable	(161,968)	3,037,303
Other Liabilities	(2,803,553)	(7,474,610)
Income Tax and Tax on Assets Payments	(1,142,365)	(1,748,860)
Net Cash Flows used in Operating Activities	<u>(115,947,035)</u>	<u>(88,679,527)</u>
CASH PROVIDED BY INVESTMENT ACTIVITIES		
Dividends collected	283,644,817	222,517,279
Collection of dividends from discontinued operations (See Note 4.10)	78,038,666	20,158,413
Capital contributions in subsidiaries	(370,080,000)	(133,845,000)
Payment for Acquisition of Investments	(10,000)	-
Loans granted	-	(520,000)
Acquisition of Property, Plant and Equipment, net	(1,119,497)	(423,157)
Transactions with Securities, Bonds and Other Financial Instruments, Net	107,499	32,201,214
Loans and interest collected	1,146,845	-
Collections of Placements of Forward Instruments	-	31,610,543
Net Cash Flows (used in) / provided by Investing Activities	<u>(8,271,670)</u>	<u>171,699,292</u>
CASH PROVIDED BY FINANCING ACTIVITIES		
Loans Obtained	387,058,203	111,345,000
Payment of Interest	(495,666)	(7,500,000)
Payment of Dividends	(300,000,000)	(125,000,000)
Net Cash Flows provided by / (used in) Financing Activities	<u>86,562,537</u>	<u>(21,155,000)</u>
FINANCING RESULTS GENERATED BY CASH AND CASH EQUIVALENTS	<u>8,821,506</u>	<u>4,999,978</u>
(Decrease) / Increase in cash flow, net	(28,834,662)	66,864,743
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>3,206,871</u>	<u>101,840,975</u>

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

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

See our report dated
November 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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Chairman

GRUPO CLARÍN S.A.

Registration number with the IGJ: 1,669,733

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

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

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

See our report dated
November 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.

Registration number with the IGJ: 1,669,733

GRUPO CLARÍN S.A.
NOTES TO THE INTERIM CONDENSED PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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 16 to these Interim Condensed Parent Company Only Financial Statements describes the current merger/spin-off process of the Company and certain subsidiaries.

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

2.1 Basis for the preparation

Through General Resolutions No. 562/09 and No. 576/10, the Argentine Securities Commission ("CNV", for its Spanish acronym) provided for the application of Technical Resolutions ("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 nine-month period ended September 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.

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

See our report dated
November 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.

Registration number with the IGJ: 1,669,733

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.

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 November 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 September 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 Assets and Liabilities Held for Distribution to Shareholders

Non-current assets and liabilities (or disposal groups) are classified as assets and liabilities held for distribution to shareholders where an entity undertakes to distribute them to its shareholders, to the extent such distribution is highly likely to occur and they are available for immediate distribution in their then current conditions.

2.4 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:

	September 30, 2016	September 30, 2015
Cash and Banks	2,901,879	9,699,866
Short-Term Investments	304,992	92,141,109
Cash and Cash Equivalents	3,206,871	101,840,975

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(Partner)
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NOTE 3 - ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

The estimates and assumptions used in the preparation of these interim condensed parent company only financial statements are consistent with those used in the preparation of the financial statements as of December 31, 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 September 30, 2016
Furniture and Fixtures	574,796	292,926	-	867,722
Audio and Video	153,062	60,146	-	213,208
Telecommunication Equipment	284,337	19,190	-	303,527
Computer Equipment	6,770,773	747,235	-	7,518,008
Total as of	7,782,968	1,119,497	-	8,902,465
Total as of	7,215,278	423,157	-	7,638,435

Main Account	Depreciation					Net Book Value as of September 30, 2016	Net Book Value as of December 31, 2015
	Useful Life (in years)	Balance at the Beginning	Retirement s	For the period	Balance as of September 30, 2016		
Furniture and Fixtures	10	315,762	-	40,582	356,344	511,378	259,035
Audio and Video	5	120,247	-	10,968	131,215	81,993	32,815
Telecommunication Equipment	5	167,935	-	29,188	197,123	106,404	116,401
Computer Equipment	3	5,920,248	-	506,839	6,427,087	1,090,921	850,525
Total as of		6,524,192	-	587,577	7,111,769	1,790,696	1,258,776
Total as of		5,793,323	-	544,650	6,337,973	1,300,462	

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4.2 - Intangible Assets

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

Main Account	Amortization					Net Book Value as of September 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 September 30, 2016		
Software	3	299,135	-	49,326	348,461	58,007	107,333
Total as of		299,135	-	49,326	348,461	58,007	107,333
Total as of		208,866	-	73,827	282,693	123,775	

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4.3 - Investments in Unconsolidated Affiliates

						Information about the issuer - Latest financial statements					
	Class	Nominal Value	Number	Value recorded as of September 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	2,910,792,957	2,096,242,048	Investing and financing	September 30 2016	127,153,997	949,253,933	3,436,437,720	97.0%
Goodwill				495,735,087	495,735,087						
Vistone ⁽³⁾	Common	Ps. 1.00	322,528,386	2,401,455,272	1,812,180,848	Investing and financing	September 30 2016	339,365,203	670,599,304	2,457,997,632	95.0%
VLG ^{(3) (5)}	-	-	-	-	389,870,737	Investing and financing	September 30 2016	4,312,088,966	1,581,252,573	5,303,685,784	11.0%
Goodwill ⁽⁵⁾				-	100,503,301						
CVB ⁽³⁾	Common	Ps. 1.00	63,298,286	561,294,651	417,745,017	Investing and financing	September 30 2016	66,628,353	161,924,192	572,850,803	95.0%
CLC ⁽³⁾	Common	Ps. 1.00	19,188,422	140,816,493	104,185,145	Investing and financing	September 30 2016	19,189,422	36,123,926	137,655,323	100%
Pem S.A.	Common	Ps. 1.00	1	2	2	Investing	September 30 2016	13,558,511	15,656,462	64,628,724	0.00001%
AGEA	Common	Ps. 1.00	366,199,126	1,167,692,058	981,593,719	Publishing and Printing	September 30 2016	748,394,151	(156,596,616)	1,203,784,730	97.9%
AGR	Common	Ps. 1.00	1,254,128	3,689,485	12,267,500	Printing	September 30 2016	172,065,295	(118,415,460)	142,123,815	7.8%
IESA	Common	Ps. 1.00		234,321,141	178,927,125	Investing and financing	September 30 2016	55,012,857	59,052,456	294,063,399	96.0%
CIMECO	Common	Ps. 1.00	37,412,958	49,270,949	47,749,185	Investing and financing	September 30 2016	180,479,453	26,262,117	375,566,278	20.7% ⁽⁴⁾
Goodwill				58,837,707	58,837,707						
CMI	Common	Ps. 1.00	98	339,128	314,895	Advertising	September 30, 2016	12,000	2,967,284	41,525,866	0.8%
ARTEAR	Common	Ps. 1.00	53,186,347	1,010,789,930	671,142,681	Broadcasting Services	September 30 2016	54,859,553	348,613,733	1,095,153,041	97.0% ⁽²⁾
Radio Mitre	Common	Ps. 1.00	51,755,121	143,816,701	87,636,324	Broadcasting Services	September 30 2016	65,413,136	58,394,355	150,965,767	97.2%
GC Services	-	-	-	34,804,472	29,610,115	Investing and financing	September 30 2016	19,075,942	5,194,357	34,804,472	100%
GCGC	Common	Ps. 1.00	15,605,979	38,953,390	30,848,312	Services	September 30 2016	30,291,285	7,691,951	38,953,389	100%
CMD	Common	Ps. 1.00	63,595,147	80,801,108	63,576,405	Investing and services	September 30 2016	132,313,401	(27,546,502)	171,064,166	79.6%
GCSA Investments	-	-	-	40,262,123	-	Investing and financing	September 30 2016	306	268,335,837	30,982,970	100%
GC Minor	Common	Ps. 1.00	3,478,808	47,085,398	34,692,941	Investing and financing	September 30, 2016	21,957,879	(2,406,323)	52,806,303	89.3%
Total				9,420,758,052	7,613,659,094						
Other Non-Current Liabilities											
GCSA Investments	-	-	-	-	228,553,387						
Total				-	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%.

⁽⁵⁾ See Notes 16 and 4.10.

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Equity in Earnings from Affiliates and Subsidiaries

	September 30, 2016	September 30, 2015
SHOSA	910,610,950	669,221,547
Vistone	636,879,569	475,837,887
CVB	154,141,907	114,593,476
CLC	35,824,420	27,159,932
AGEA	(140,000,814)	(17,656,435)
IESA	57,122,020	46,616,434
CIMECO	4,893,667	7,878,640
GCSA Investments	(51,834,632)	(31,182,738)
ARTEAR	339,647,249	293,279,513
Radio Mitre	56,180,377	17,662,578
GCGC	7,521,859	13,646,259
CMD	(19,909,783)	(8,637,222)
GC Services	5,194,357	1,982,987
Other	(10,733,243)	7,327,305
	<u>1,985,537,903</u>	<u>1,617,730,163</u>

4.4 – Other Investments

	September 30, 2016	December 31, 2015
Money Market	<u>304,992</u>	<u>19,848,419</u>
.	<u>304,992</u>	<u>19,848,419</u>

4.5 – Debt

	September 30, 2016	December 31, 2015
Current		
Bank Overdraft	6,693,203	-
Related Parties (Note 6)	<u>756,708,595</u>	<u>287,999,976</u>
	<u>763,401,798</u>	<u>287,999,976</u>

The following table details the changes in loans and indebtedness for the periods ended September 30, 2016 and 2015:

	2016	2015
Balances as of January 1 st	<u>287,999,976</u>	<u>231,387</u>
New Loans and Indebtedness	387,058,203	111,345,000
Accrued Interest	16,778,947	2,611,671
Exchange Differences	67,980,032	4,535,663
Other items	3,821,124	-
Settlement of principal and interest	<u>(236,484)</u>	<u>(7,500,000)</u>
Balances as of September 30	<u>763,401,798</u>	<u>111,223,721</u>

In connection with Note 16, the outstanding balances of loans with related companies held by Grupo Clarín as of September 30, 2016 were cancelled on October 1, 2016.

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4.6 - Assets and Liabilities in Foreign Currency

Items	September 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	15.21	16,579	USD	1,090	14,105	
Other Investments	USD	20,052	15.21	304,992	USD	1,533,881	19,848,419	
Cash and Banks	USD	79,540	15.21	1,209,807	USD	101,142	1,308,774	
Total Current Assets				1,531,378	21,171,298			
Total Assets				1,531,378	21,171,298			
LIABILITIES								
CURRENT LIABILITIES								
Debt	USD	49,404,402	15.31	756,381,398	USD	22,065,151	287,729,565	
Total Current Liabilities				756,381,398	287,729,565			
Total Liabilities				756,381,398	287,729,565			
USD - US Dollars								

4.7- Changes in Allowances

Items	Balance at the Beginning	Increases	Decreases	Balances as of September 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⁾	-	53,787,267	26,761,408
Valuation Allowance for Tax on Assets	33,849,411	1,795,693 ⁽¹⁾	-	35,645,104	33,849,411
Allowance for Goodwill Impairment	28,432,495	-	-	28,432,495	28,432,495
Total	89,043,314	28,821,552	-	117,864,866	89,043,314

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

	September 30, 2016	September 30, 2015
Exchange Differences	(67,980,032)	(4,535,663)
Interest	(16,778,947)	(2,611,671)
	(84,758,979)	(7,147,334)

4.9 – Other Financial Results, net

	September 30, 2016	September 30, 2015
Exchange Differences and Other Financial Results	7,528,876	3,915,710
Results from transactions with securities and bonds	107,499	32,201,214
Interest	1,619,836	2,328,639
Other Taxes and Expenses	(3,688,786)	(3,339,359)
	5,567,425	35,106,204

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

As described in Note 16 to the interim condensed parent company only financial statements as of September 30, 2016, the Company's interest in VLG and in GCSA Equity and certain assets and liabilities of the Company have been classified as of that date as "Assets held for distribution to shareholders" and as "Liabilities held for distribution to shareholders", respectively, as required under IFRS.

The following is a detail of those assets and liabilities disclosed under "Assets held for distribution to shareholders" and "Liabilities held for distribution to shareholders" as of September 30, 2016 (in millions of Argentine Pesos):

	September 30, 2016
ASSETS	
NON-CURRENT ASSETS	
Deferred Tax Assets	10
Investments in Unconsolidated Affiliates ⁽¹⁾	598
Total Non-Current Assets	608
Total Assets Held for Distribution to Shareholders	608

	September 30, 2016
LIABILITIES	
NON-CURRENT LIABILITIES	
Other Liabilities ⁽²⁾	333
Total Non-Current Liabilities	333
CURRENT LIABILITIES	
Taxes Payable	1
Other Liabilities	14
Total Current Liabilities	15
Total Liabilities Held for Distribution to Shareholders	349

⁽¹⁾ Corresponds to the interest in VLG.

⁽²⁾ Corresponds to the interest in GCSA Equity.

In connection with the same situations mentioned above, the following is a detail of the results for the nine-month periods ended September 30, 2016 and 2015, classified as discontinued operations corresponding to Equity in earnings from VLG and GCSA Equity (in millions of Argentine Pesos):

	September 30, 2016	September 30, 2015
VLG	172	130
GCSA Equity	(13)	-
Net Income from Discontinued Operations	159	130

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

Item	Administrative Expenses	
	September 30, 2016	September 30, 2015
Salaries, Social Security and Benefits to Personnel	104,755,164	78,743,201
Supervisory Committee's fees	1,237,499	956,250
Fees for services	48,119,024	38,158,176
Taxes, Duties and Contributions	6,935,332	6,584,281
Other personnel expenses	3,158,253	1,867,622
General expenses	223,306	117,954
IT expenses	1,663,897	1,189,348
Maintenance Expenses	3,551,629	1,774,962
Communication expenses	941,995	830,790
Advertising expenses	957,272	1,034,919
Travel Expenses	5,841,007	3,091,188
Stationery and Office Supplies	419,508	71,238
Depreciation of Property, Plant and Equipment	587,577	544,650
Amortization of Intangible Assets	49,326	73,827
Other expenses	6,240,540	4,004,622
Total	184,681,329	139,043,028

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 September 30, 2016 and December 31, 2015.

Company	Item	September 30, 2016	December 31, 2015
<u>Subsidiaries</u>			
SHOSA	Other Receivables	-	2,432
	Debt	(466,766,189)	(170,189,828)
	Trade Payables and Other	-	(56,786)
VISTONE	Debt	(236,177,415)	(104,720,132)
CVB	Debt	(53,764,991)	(13,090,016)
CLC	Dividends Receivable	-	11,311
AGEA	Other Receivables	119,800,986	104,018,497
	Trade Payables and Other	(280,377)	(561,949)
ARTEAR	Other Receivables	181,835	4,658,835
	Trade Payables and Other	(67,343)	(201,838)
Radio Mitre	Other Receivables	2,632,573	669,635
GCGC	Other Receivables	10,741	10,741
	Trade Payables and Other	(3,103,859)	(25,924)
CMD	Other Receivables	2,323,790	2,952,480
	Trade Payables and Other	(114,674)	(114,674)
GC MINOR	Trade Payables and Other	(62,655)	-
GC INVESTMENTS	Trade Payables and Other	(304)	-
GC EQUITY	Trade Payables and Other	(1,531)	-
GC Services	Other Receivables	16,579	14,105

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Company	Item	September 30, 2016	December 31, 2015
<u>Indirectly controlled</u>			
Cablevisión	Trade Payables and Other	(301,528)	(5,955)
PRIMA	Trade Payables and Other	(521,708)	(176,542)
AGR	Other Receivables	50,457,000	36,300,000
	Trade Payables and Other	(13,451)	(2,673)
UNIR	Other Receivables	3,389,158	1,158
	Trade Payables and Other	(2,360)	(2,360)
Impripost	Other Receivables	1,635,674	2,283,074
Ferías y Exposiciones S.A.	Other Receivables	128	128
TRISA	Trade Payables and Other	(1,876,340)	(1,029,947)
CIMECO	Dividends Receivable	2,128,117	-

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

Company	Item	September 30, 2016	September 30, 2015
<u>Subsidiaries</u>			
AGEA	Management fees	13,500,000	13,500,000
	Advertising	(233,989)	(99,603)
ARTEAR	Management fees	43,200,000	33,300,000
Radio Mitre	Management fees	2,925,000	1,530,000
	Interest income from loans	-	1,397,151
GCGC	Services	(11,859,288)	(9,098,232)
CMD	Interest income from loans	426,183	10,257
SHOSA	Interest expense from loans	(10,651,931)	(2,611,671)
CVB	Interest expense from loans	(768,181)	-
VISTONE	Interest expense from loans	(5,122,351)	-
<u>Indirectly controlled</u>			
Cablevisión	Management fees	55,800,000	62,840,000
	Services	(280,125)	(101,119)
UNIR	Management fees	6,300,000	-
	Services	-	(1,951)
PRIMA	Services	(758,031)	(458,470)
AGR	Management fees	11,700,000	14,400,000
	Services	(8,907)	(5,142)
Impripost	Management fees	-	1,560,000

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

	<u>September 30, 2016</u>
<u>Investments</u>	
Without any established term ⁽¹⁾	304,992
	<u>304,992</u>
<u>Receivables</u>	
Without any established term ⁽²⁾	181,586,692
Due	
Within three months ⁽³⁾	6,584,741
	<u>6,584,741</u>
	<u>188,171,433</u>
<u>Liabilities</u> ⁽⁴⁾	
Without any established term	6,941,733
Due	
Within three months	19,045,130
More than three months and up to six months	20,044,865
More than six months and up to nine months	9,032,812
	<u>48,122,807</u>
	<u>55,064,540</u>
<u>Debt</u> ⁽⁵⁾	
Without any established term	6,693,203
Due	
Within three months	756,708,595
	<u>756,708,595</u>
	<u>763,401,798</u>

⁽¹⁾ Bearing interest at variable rate. They include a balance of USD 20.052.⁽²⁾ They do not bear interest and include a balance of USD 1.090.⁽³⁾ Includes Ps. 1,845,384 which bears interest at a fixed rate, the remaining balance does not bear any interest.⁽⁴⁾ Non-interest bearing.⁽⁵⁾ Bearing interest at fixed rate. They include a balance of USD 49,404,402.**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.

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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

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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 Interim Condensed Parent Company Only 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

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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 Interim Condensed Parent Company Only 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 Interim Condensed Parent Company Only 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., Construred 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.

That process was granted administrative approval by the CNV and was registered with the *Inspección General de Justicia* (Argentine Superintendency of Legal Entities, "IGJ") under No. 9,448, Book 79 Volume – Stock Companies on June 7, 2016.

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

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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 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

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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.

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 Interim Condensed Parent Company Only 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.

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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 Interim Condensed Parent Company Only 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 Interim Condensed Parent Company Only 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 Interim Condensed Parent Company Only 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 Interim Condensed Parent Company Only 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 Interim Condensed Parent Company Only 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 until 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. It was subsequently postponed until June 3, 2016. At that hearing, held on June 3, 2016, Papel Prensa, the Company and the other

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shareholders present at the hearing (the National Government, S.A. La Nación and CIMECO) requested that the procedural periods remain suspended in connection with the claims pending before that Court of Appeals, and also requested the court to order a shareholders' meeting of Papel Prensa to be held on September 20, 2016 to address, basically, the issues included under subsections 1, 2 and 3 of Section 234 of Law No. 19,550, as amended, corresponding to fiscal years ended December 31, 2010, 2011, 2012, 2013, 2014 and 2015. On September 5, 2016, the Court of Appeals called for a shareholders' meeting as requested at the hearing held on June 3, 2016, and at the request of Papel Prensa and the National Government –in view of the urgent and impending terms to make the required publications– on September 8, 2016 it postponed the date of the shareholders meeting until October 19, 2016.

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 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

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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 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 Projects submitted by Cablevisión and its subsidiaries that exploit telecommunication services, within the framework of SECOM Resolution No. 9/2011 which created the program "Infrastructure and Equipment", 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 was 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 included "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 sought to make private companies that were created and developed in competition share their networks with other companies that had not made any investments.

The foregoing applied to any provider that had 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.

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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.

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

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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.
- 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 has completed 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

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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.

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 Interim Condensed Parent Company Only 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 11.4.8. to the Parent Company Only Financial Statements as of December 31, 2015).

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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.

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.

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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.

The filing included a request for a change in the allocation of a portion of the spectrum that corresponds to the licensees acquired by the Company in order to provide 4G services.

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 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 seven decisions, whereby it declared the unconstitutionality of Sections 39 subsection 3, 55, 56 subsection 1, 60 point C, 98 subsection 2, 117 subsection 5, 143 and 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.

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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 September 30, 2016 and December 31, 2015:

	USD September 30, 2016	USD December 31, 2015
ASSETS		
CURRENT ASSETS		
Cash and Banks	79,540	101,142
Other Investments	20,052	1,533,881
Other Receivables	1,090	1,090
Total Current Assets	<u>100,682</u>	<u>1,636,113</u>
Total assets	<u>100,682</u>	<u>1,636,113</u>
LIABILITIES		
CURRENT LIABILITIES		
Debt	49,404,402	22,065,151
Total Current Liabilities	<u>49,404,402</u>	<u>22,065,151</u>
Total Liabilities	<u>49,404,402</u>	<u>22,065,151</u>

Bid/offered exchange rates as of September 30, 2016 and December 31, 2015 were of Ps. 15.21 and Ps. 15.31; and Ps. 12.94 and Ps. 13.04; respectively.

10.1. Financial Instruments at Fair Value

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

	September 30, 2016	Other Significant Observable Items (Level 2)
Assets		
Current Investments	304,992	304,992
	December 31, 2015	Other Significant Observable Items (Level 2)
Assets		
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 September 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).

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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 September 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 would continue to be controlled and operated by the Sellers until the option to acquire the remaining 51% of the capital stock had been exercised.

As of December 31, 2015, the call option was not legally exercisable and uncertainties remained regarding the obtainment of the required regulatory authorization. As of December 31, 2015, Cablevisión did not have control over Nextel taking into consideration the elements provided under IFRS 10. Therefore, it did not consolidate Nextel as of such date. In January 2016, the regulatory framework changed and the regulatory authorization of the transaction was no longer necessary.

In addition, 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, taking into consideration 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

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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.

As of September 30, 2016, Cablevisión has concluded the process of allocating the purchase price of 100% (97% to Nextel and the remaining 3% to the Company) of the capital stock of Fibercomm S.A. and Gridley Investments S.A., both owners of 100% of the capital stock of Trixco S.A., and calculated goodwill from this acquisition in the amount of Ps. 801.7 million.

- 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".
- f. 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.
- g. 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.
- h. On August 24, 2016, the Company and AGEA executed an Agreement Relating to Irrevocable Contributions on Account of Future Share Subscriptions whereby the Company undertakes to make a contribution of approximately USD 21.6 million, equivalent to Ps. 320 million in AGEA.
- i. On August 24, 2016, the Company and GC Minor executed an Agreement Relating to Irrevocable Contributions on Account of Future Share Subscriptions whereby the Company undertakes to make a contribution of approximately USD 1 million, equivalent to Ps. 14.3 million in GC Minor.
- j. IESA and ARTEAR agreed to implement a corporate reorganization process whereby ARTEAR, as Absorbing Company, absorbed certain assets, liabilities, rights and obligations that were spun off IESA's

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(Partner)
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equity, among which are the following cable television signals: “El Trece Satelital”, “Quiero Música en mi idioma”, “Volver” and “Magazine”. Thus, IESA transferred to ARTEAR all the rights and obligations that make up the Spun-off Equity of IESA. ARTEAR will continue with the activities related to IESA’s Spun-off Equity, i.e., the exploitation of the above-mentioned cable television signals. The spin-off - merger was executed based on the equity position disclosed in the financial statements of those companies as of June 30, 2016. The spin-off - merger is effective as from October 1, 2016, inclusive, date on which ARTEAR continued with the operations of IESA’s Spun-off Equity, thus generating the corresponding operating, accounting and tax effects. On September 20, 2016, the Extraordinary Shareholders’ Meetings of both companies approved the Pre-Spin-off - Merger Commitment. In view of the above, both companies made a filing with the ENACOM in order to request the registration of the signals “El Trece Satelital”, “Magazine”, “Quiero Música en mi idioma” and “Volver” held by ARTEAR. The ENACOM has already issued the corresponding certificates registering ARTEAR as the holder of those cable television signals.

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

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

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

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

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.

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- 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.

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 process to pay fractions in cash and change the nominal value [of the company's shares] 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.

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NOTE 14 - LAW No. 26,831 CAPITAL MARKETS

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

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 - THE COMPANY'S CORPORATE REORGANIZATION PROCESS

On September 28, 2016, at the Company's Extraordinary Shareholders Meeting, the shareholders approved the execution of a corporate reorganization process to be implemented in two successive steps: a) first the merger of Southtel Holdings S.A., Vistone S.A., Compañía Latinoamericana de Cable S.A. and CV B Holding S.A. (the "Absorbed Companies"), through which Grupo Clarín held its controlling interest in Cablevisión (the

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“Merger”), and, b) the subsequent partial spin-off of the Company to create a new company under the name Cablevisión Holding S.A. (the “Spin-off”, and together with the Merger, the “Corporate Reorganization”).

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

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

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

The effective date of the Spin-off (the “Effective Date of the Spin-off”) will be the first day of the month following the date on which the latest of the following registrations is completed: (i) the registration of the Corporate Reorganization with the IGJ, or (ii) the registration of the incorporation of Cablevisión Holding S.A. with the IGJ. As of the Effective Date of the Spin-off, Cablevisión Holding S.A. will begin its activities on its own account, the accounting effects of the Spin-off will become effective, and the operations, risks and benefits described in the Prospectus published by the Company will be transferred to Cablevisión Holding S.A.

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

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

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

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

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

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

NOTE 18 – SUBSEQUENT EVENTS

- a. The events relating to the regulatory framework applicable to the Company and its subsidiaries that occurred subsequent to the closing of this period are described under Note 9.
- b. In October and November 2016, the Company made Irrevocable Contributions on Account of Future Share Subscriptions in CMD in the amount of approximately USD 1.2 million and USD 0.5 million, equivalent to Ps. 18 million and Ps. 7.5 million, respectively.
- c. In connection with Note 8.3 to these interim condensed parent company only financial statements, on October 19, 2016, the shareholders of Papel Prensa duly held the court-convened Shareholders' Meeting of that company. At that Shareholders' Meeting, the shareholders approved the financial statements of Papel Prensa for the years ended December 31, 2010, 2011, 2012, 2013, 2014 and 2015 and other accounting documentation under subsection 1, Section 234 of Law No. 19,550, as amended, appointed directors, statutory auditors and members of the supervisory committee for the year 2016, approved the capitalization of the capital adjustment for Ps. 123,293,385, issued a decision on the approval and disapproval of the performance of certain directors, statutory auditors and members of the supervisory committee during the full fiscal years under consideration, and unanimously appointed external auditors engaged with issuing an opinion on the financial statements of Papel Prensa as of December 31, 2016 and March 31, 2017. In connection with the decisions made at the Shareholders' Meeting held on October 19, 2016 by the shareholders that are parties to judicial proceedings, the resumption of the court-convened Shareholders' Meeting of Papel Prensa that began on August 29, 2012 has become moot, and the Company understands that the great majority of the issues involving the conflict related to Papel Prensa have become or will become moot.

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

The Board of Directors has approved the interim condensed parent company only financial statements and authorized their issuance for November 10, 2016.

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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 SEPTEMBER 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) Note 16 to parent company only financial statements describes the Company's current merger/spin-off process, whereby the Company will merge with certain of its current subsidiaries and, subsequently, it will spin off its direct and indirect interest in Cablevisión to a new company.
- 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	179,158,197	(1)	6,294,599	(1)
Due				
Within three months	3,418,384	(2)	756,760,126	(3)
Total	<u>182,576,581</u>		<u>763,054,725</u>	

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

(2) The balances are stated in local currency and include Ps. 1,845,384 which bear interest at a fixed rate, the remaining balance does not bear interest.

(3) It includes USD 49,404,402 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 of the network at the time of acquisition, real estate appraisals of the most significant real property, among others).

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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 September 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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(Partner)
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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 39 in Grupo Clarín S.A.'s interim condensed parent company only financial statements for the nine-month period ended September 30, 2016.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

CARLOS ALBERTO PEDRO DI CANDIA
Supervisory Committee

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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 September 30, 2016, the parent company only statements of comprehensive income for the nine and three-month period ended at September 30, 2016 and the parent company only statements of changes in equity and of cash flows for the nine-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 September 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 \$ 1,832,721.98, none of which was claimable at that date.

Autonomous City of Buenos Aires, November 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 September 30, 2016, the Parent Company Only Statement of Comprehensive Income for the nine-month and three-month periods ended September 30, 2016, the Parent Company Only Statement of Changes in Equity and the Parent Company Only Statement of Cash Flows for the nine-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 September 30, 2016, the Consolidated Statement of Comprehensive Income for the nine-month and three-month periods ended September 30, 2016, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the nine-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 COMPANY'S MANAGEMENT

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 November 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 modifying 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 describe 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 nine-month period ended September 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, November 10, 2016.

Supervisory Committee

Carlos Alberto Pedro Di Candia
Chairman