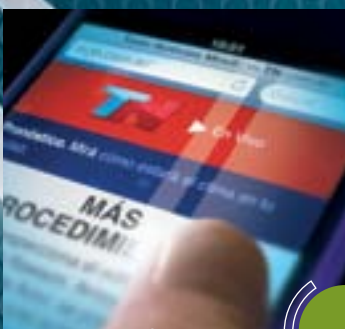




Grupo Clarín



ANNUAL
REPORT 2012

Disclaimer

Some of the information in this Annual Report (the "Annual Report") may contain projections or other forward-looking statements regarding future events or the future financial performance of Grupo Clarín. You can identify forward-looking statements by terms such as "expect", "believe", "anticipate", "estimate", "intend", "will", "could", "may" or "might" the negative of such terms or other similar expressions. These statements are only predictions and actual events or results may differ materially. Grupo Clarín does not intend to or undertake any obligation to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in Grupo Clarín's projections or forward-looking statements, including, among others, general economic conditions, Grupo Clarín's competitive environment, risks associated with operating in Argentina, a rapid technological and market change, and other factors specifically related to Grupo Clarín and its operations.

The Annual Report and certain boxes and charts that include highlighted information for illustrative purposes throughout this publication, include financial information as of and for the fiscal years ended December 31, 2012 and 2011, which was extracted from the Consolidated and the Parent Only Financial Statements as of December 31, 2012, presented on a comparative basis, and their related notes. The Annual Report and the Highlights should be read in conjunction with such financial statements and related notes, the report of Grupo Clarín's independent accountants, Price Waterhouse & Co. S.R.L., Buenos Aires, Argentina (a member firm of PriceWaterhouseCoopers) relating to such financial statements, and the report of Grupo Clarín's Supervisory Committee.

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2012

FINANCIAL
HIGHLIGHTS

OPERATING
RESULTS

ADJUSTED
EBITDA

FINANCIAL HIGHLIGHTS

(In millions of Ps.)	2012	2011	YoY
Net Sales	11,318.9	9,325.2	21.4%
Adjusted EBITDA⁽¹⁾	2,772.7	2,475.6	12.0%
Adjusted EBITDA Margin⁽²⁾	24.5%	26.5%	(7.7%)
Net Income⁽³⁾	972.3	785.6	23.8%

(1) We define Adjusted EBITDA as net sales minus cost of sales (excluding depreciation and amortization) and selling and administrative expenses (excluding depreciation and amortization). We believe that Adjusted EBITDA is a meaningful measure of our performance. It is commonly used to analyze and compare media companies on the basis of operating performance, leverage and liquidity. Nonetheless, Adjusted EBITDA is not a measure of net income or cash flow from operations and should not be considered as an alternative to net income, an indication of our financial performance, an alternative to cash flow from operating activities or a measure of liquidity. Other companies may compute Adjusted EBITDA in a different manner; therefore, Adjusted EBITDA as reported by other companies may not be comparable to Adjusted EBITDA as we report it.

(2) We define Adjusted EBITDA Margin as Adjusted EBITDA over Net Sales.

(3) We define Net Income as Income for the period.

OPERATING RESULTS

	2012	2011	YoY
Total Consolidated Subscribers⁽¹⁾⁽³⁾⁽⁴⁾	3,404.7	3,490.3	(2.5%)
Total Internet Subscribers⁽¹⁾⁽³⁾⁽⁴⁾	1,504.4	1,351.1	11.3%
Circulation⁽¹⁾	311.7	331.2	(5.9%)
Audience Share %⁽²⁾			
Prime Time	35.9%	42.2%	(15.1%)
Total Time	29.4%	33.0%	(10.9%)

(1) Figures in thousands.

(2) Share of broadcast TV audience according to IBOPE for AMBA. PrimeTime is defined as Monday through Friday from 8 pm to 12 am. Total Time is defined as Monday through Sunday from 12 pm to 12 am.

(3) Total subscribers consolidated following the same consolidation methods used in the financial statements as of each year end.

(4) Total Consolidated Subscribers registered for the year 2011 include those from discontinued operations in Paraguay (115,882 Cable TV Subs and 11,305 internet Subs).

ADJUSTED EBITDA

(In millions of Ps.)	2012	2011	YoY
Cable TV and Internet Access	2,406.9	1,963.8	22.6%
Printing and Publishing	229.9	259.7	(11.5%)
Broadcasting and Programming	136.1	252.7	(46.2%)
Digital Content and Others	(0.2)	(0.6)	64.7%
Subtotal	2,772.7	2,475.6	12.0%
Eliminations	-	-	NA
Total	2,772.7	2,475.6	12.0%

2012 MACROECONOMIC ENVIRONMENT

The dynamism that emerging economies were able to sustain in spite the overall slowdown of the developed countries' economies was one of the few positive economic highlights of 2012. The serious social and economic crisis that continues to affect several Euro Zone countries led to considerable deterioration in the block of developed countries, which could not be offset by the modest upturn of the US or Japan's return to growth.

Most industrial emerging countries -led by China and, to a lesser extent, India- proved resilient to such deterioration and were able to continue to grow during the year under review at an above-average rate, thus funneling growth in other emerging countries that provide these industrial economies with agricultural and non-agricultural commodities. All emerging countries recorded lower growth rates compared to 2011.

The world has continued to register growth at two different structural paces, reflecting the operation of the new global accumulation mechanism focused on emerging economies.

The poor performance of the Argentine economy in 2012 is the exception to the rule prevailing in the emerging countries for two reasons. First of all because, unlike its peers, the world did not represent a burden for Argentina. In fact, even though the slowdown of the Brazilian economy did have a negative impact on Argentina's industrial exports, in 2012 the price of its agricultural products in general and the price of soya in particular, were higher on average than those of the previous year and remained high compared to historical levels (largely offsetting the lower volume of the crop harvest).

Secondly, because unlike in other emerging countries and the region as a whole, local economic policies accentuated, instead of mitigating, the effects of the global financial crisis.

The year 2012 stands out as an actual turning point in the performance of the Argentine economy. The change in the ground rules fuelled in the aftermath of last year's presidential elections broadly and significantly damaged economic activity developing a disturbing scenario of stagflation (stagnation plus high inflation).

Not even the strong acceleration in the rate of increase in the money supply -which ended the year with an annual increase of 40%, attributable to increased financing from the Central Bank to the Treasury -was sufficient to revert the halt in economic activity.

Thus, the balance of the Argentine economy at the end of 2012 is at best modest, as a direct result of the policies applied in response to the imbalances created in, and carried over from, the previous years. The most significant negative side effects of the policies implemented in 2012 were decrease in the generation of genuine employment, the stagnation of the purchasing power of workers' salaries, the capital depletion of the Central Bank, the decrease in exports and the loss of international reserves.

The scenario of stagflation is paired with certain additional disturbing conditions under which the economy is operating, such as an accelerated loss of competitiveness, increased primarization and shortage of local and foreign reproductive investments (noticeable mainly in the capital depletion of key strategic sectors).

In terms of key macroeconomic equilibrium, we note a slight improvement in the real generation of foreign currency on the external front, which is mainly attributable to the sudden closing of the economy, an unusual situation that negatively affected several aspects of the real economy.

This performance is the result of the strong contraction of imports, in general, and intermediate goods and capital, in particular. Consequently, the external surplus for the year was slightly higher than that of the previous year and remained above USD10 billion for the eleventh consecutive year.

However, this apparent strategic achievement is tainted by two specific facts. One of them is the widening of the trade deficit in the energy sector, estimated in around USD3.5 billion this year. This phenomenon worsens an historical problem of the Argentine economy, because in order to avoid affecting the country's foreign reserve position, the surplus of the agricultural sector in the coming years must not only cover the structural deficit of the industrial sector, but also that of the energy sector.

The second specific fact is the evolution of the Central Bank's international reserves. The monetary authority has again registered a drop in its foreign currency position of more than USD3 billion. The achievement of a higher foreign trade surplus and the substantial decrease in capital flight and profit / dividend remittances were not sufficient to cover the use of reserves appropriated to the service of foreign currency sovereign debt and, particularly, the collapse in foreign currency inflows to the financial system. As opposed to most other emerging countries in the region, which were able to accumulate reserves throughout the year, Argentina's decrease in foreign reserves brought this variable to USD43.1 billion at year-end, its low record since 2007.

The continued deterioration on the fiscal front deepened still further in 2012. Primary spending has again outgrown revenues. The national primary deficit (without counting profit remittances from BCRA and ANSES) exceeded Ps.35 billion, more than doubling the figure for 2011. The financial deficit (i.e. after payment of interest on public debt) grew in 2012 to over Ps.80 billion. Both figures are the highest since 2003, in absolute and relative terms.

This fiscal deterioration occurred in spite of record-high tax pressure and is mostly financed with the printing of currency, which fuels the already high inflationary expectations.



Perspectives for the Upcoming Year

Under the new scheme in which the Argentine economy is advancing, its short-term and medium-term performance mostly depends on its ability to generate sufficient foreign currency to cover the external structural deficit of industrial (and now also of its energy) sector and honor interest payments on its indebtedness. With respect to the latter, the final outcome of the claims brought by holdouts who did not participate in any of the various exchange offers has implications that are difficult to assess as of the date of this report and is an additional source of concern.

Without access to voluntary financing from capital markets, the debt service is directly contingent upon an increase in prices and/or volume of exports and/or the use of reserves.

The baseline scenario for the Argentine economy in the coming year is supported by three important assumptions. On the external front, the US-dollar supply is expected to increase, mostly as a result of the harvest volume and the resulting agricultural exports. This will be paired with the shorter maturities of sovereign debt in foreign currency, mainly attributable to the no service of the 2012 coupon of the GDP-linked bonds.

Meanwhile, at a regional level, the most relevant highlight is the expected improvement in the performance of Brazil (estimated to grow more than in prior years) and its related positive impact on the Argentine exports (mostly, industrial exports) to that market.

At the strictly local level, the mid-term congressional elections could cause a more aggressive drive in economic policy, albeit at the risk of worsening carryover imbalances.

In fact and by way of example, inflationary pressures are expected to build up again in line with the recovery of the economic activity, which would continue to hinder the scope of significant improvements in social indicators and the distribution of income of the Argentine people.

In the absence of measures that address the distortions accumulated in the last few years and without an additional supply of US dollars from the agricultural sector, the external restriction would inevitably appear again beyond 2013, compromising the economic performance and endangering the ability to move forward with pending issues as well as the accomplishments achieved so far.

THE YEAR 2012 AND THE MEDIA SECTOR IN ARGENTINA

By the end of the year 2012, the global media industry -undoubtedly one of the most seriously affected by the severe financial crisis of 2009- recorded the highest growth rate in the last five years, thus consolidating the signs of recovery shown in the aftermath of that crisis.

That performance is mostly accounted for by the dynamism maintained by most emerging economies in spite of the prolonged slowdown of the developed countries' economic activity, and its related direct impact on the positive performance of this industry. By way of example, in the year under analysis the Latin American media industry was the one that experienced (and according to market estimates is expected to continue to experience) the highest growth on a global basis, even above that of its Asian counterparts.

The macroeconomic improvement in these countries takes some pressure off a critical source of concern for this industry, which already faces several challenges arising from the recurring emergence of new technologies and the changes in the media consumption patterns of the new generations.

In contrast, countries such as Spain and Argentina that, for several reasons, failed to improve or had a poorer macroeconomic performance than the previous year have kept or otherwise incorporated an additional problem to the already complex micro-environment of the industry.

The accelerated migration of audiences, content and advertisers towards the digital ecosystem is the main phenomenon that emerges from the review of the media industry performance worldwide during 2012. The fixed and mobile broadband revolution is a key driver of this change.

The truth is that the digitalization process we are undergoing is giving rise to a veritable cultural revolution on a global basis, beyond the boundaries of our industry. The gradual change in the way we carry out our day-to-day activities is leading to a profound transformation of essential aspects of our societies, such as interpersonal relationships and access to information and entertainment content. Digital natives are the key drivers of this cultural change.

The gradual adoption process that involves the initial testing of new technologies that subsequently coexist with older technologies and, ultimately, become the preferred choice over traditional physical alternatives - is a common denominator in the behavior of a considerable portion of today's

population worldwide. In the media industry, the multiple devices that enable Internet access and networks of Internet access suppliers are good examples of this.

All of the above, coupled with this new generation of consumers whose habits and preferences remarkably differ from those of prior generations, still poses an unprecedented challenge and at the same time represents an opportunity for each of the different segments of the media industry, which in the face of this changing reality are bound to reformulate their strategies and business models.

For the economy and the local media industry, the year 2012 was characterized by slow dynamics, in direct contrast to the regional trend. In fact, as mentioned above, the disturbing stagflation environment (stagnation with high inflation) that characterized the economy throughout the year was an additional source of risk for this industry.

Additionally, the government has escalated in its attack against the independent press with the clear purpose of colonizing the media and weakening independent media in general, and Grupo Clarín in particular. Some examples of this are the discrediting campaigns and attacks against journalists and directors from media that are critical of the current administration, the arbitrary allocation of official advertising, the law governing newsprint, the illegal breaking into Cablevisión, the use of publicly-owned media as promotional tools for the government and the expansion of pro-government media.

In this complex environment, the figures corresponding to the main sources of revenue of the industry were excessively modest. In fact, advertising investment increased by 15%, less than half the growth rate of 2011, mostly driven by government advertising expenditure, directed to finance a matrix with a greater share of publicly-owned media. In terms of consumer prices, the increase in the consolidated advertising pie of the several industry segments fell again below the inflation rate (of approximately 25% according to private estimates). This reveals that although advertising increased in nominal terms, the rate of increase was substantially lower than the economy as a whole, thus reducing its relative size.

Unlike most countries in the region, the newspaper segment continued to attract the largest share of advertising in the local market, followed by broadcast TV.

The paid television and Internet segments continued to expand in 2012, even though Argentina's penetration rates are among the highest in the region.

The number of pay television subscribers increased during 2012, but at a slower pace than in the previous year, leveraged by the growing penetration of additional services (incorporation of high-definition signals to the grid and VOD, among others), which permitted a high level of investment in the expansion of network capacity.

Broadband demand continued to accelerate significantly, becoming increasingly ubiquitous. In fact, by year-end, residential fixed broadband Internet access reached a new record high in a fiercely competitive environment noted for the promotional offers of its main market players. At the same time, the mobile broadband segment dynamics, driven by the implementation of combined voice and data subscriptions by cell phone companies, evidenced the complementarity that this technology provides to the market.

In this regard, an emerging and curious global phenomenon is the users' ongoing demand for higher speed, mostly as a result of the predominance of video traffic over other traffic and, to a lesser extent, as a result of the increasing number of devices connected to the Internet at home. Naturally, this increased demand for bandwidth per client compels providers to add new capabilities to their networks on an ongoing basis, building pressure on the current business models.

Lastly, newspaper circulation has continued to show its downward structural trend, similarly to the rest of the world. Average newspaper circulation in the metropolitan area (City of Buenos Aires and its surroundings) (source: Newspaper and Magazine Circulation Verification Institute, IVC, adjusted by the Company to account for newspapers in the City of Buenos Aires for which circulation is not verified) was 571,800 copies (Mondays through Sundays) - a 3.5% decrease compared to the previous year. On Sundays, average circulation was 1,077,900 copies, a 1.8% rise relative to 2011. In contrast, it is worth noting the increasing number of visits to social networks and websites with content development, mostly news sites with the newspaper on top of the rankings. As a logical consequence, the increased number of readers of digital newspapers reveals that the demand for content remains strong, unlike preference for paper format newspapers, though distributed among a broader variety of technological platforms.

Regulatory framework and conditions for the journalistic and media activity during 2012

In addition to the above and to the comments under Note 11 to the Parent Company Only Financial Statements, during 2012 private media in general and Grupo Clarín in particular continued to face an escalating level of harassment. Such harassment was executed through the official and para-official apparatus, with the clear intention of damaging the media's reputation and directly and indirectly limiting its journalistic activities.

In the framework of this escalation, the government reinforced certain actions that threaten and distort the full effectiveness of freedom of speech and information, such as the exponential increase and discriminatory allocation of official advertising used to create and sustain pro-government media, as well as the use of such advertising to condition the press. In 2012, the government spent more than Ps.1.9 billion in official advertising, a 43% rise compared to 2011. Nine media groups closely related to the government were the recipients of 80% of said resources.

Further, the government continued to use public funds and media on a discretionary basis to generate content and programs related to political propaganda; with several obstacles and discriminatory conduct in the access to public information and an aggressive campaign to

destroy non-partisan media by compromising their economic sustainability and credibility.

This discrediting and defamatory strategy was painfully reflected in street banner and graffiti campaigns, banners, balloons, merchandising and clothing, in persecution and public denunciation of journalists, and went so far as to include the financing of soccer hooligans to display banners against the media and the opposition during matches.

Other tools to exert editorial pressure consisted of abuse of bureaucratic controls or controls by public agencies that took the form of administrative persecutions, groundless arbitrary resolutions, disproportionate tax controls and recurring audits. In this scenario, the government did not hesitate to exert pressure through entities such as the National Antitrust Commission, AFSCA, the Argentine Securities Commission and the Financial Information Unit.

In addition to the discretionary allocation of official advertising as a tool to exert pressure on the media, private companies were banned from including their advertising slots in independent media. Through the Secretariat of Domestic Trade, the government exerts pressure on advertisers from several sectors and threatens them with penalties if they advertise their products or services on certain media. This modus operandi reached its greatest expression in February -after year-end- with the public announcement that the Secretariat

of Domestic Trade had issued an unwritten order that is observed without exceptions by the entire market, whereby supermarkets and home appliance stores were arbitrarily banned from advertising in any media from the City of Buenos Aires and its surroundings. This virtual boycotting against private advertising, paired with the arbitrary exclusion of official advertising from non-partisan media, directly affects the economic sustainability of independent media.

In the audiovisual sector, this offensive against the media (against both, its editorial freedom and its economic sustainability, which guarantees its independence) had as its utmost expression the enactment of the controversial Audiovisual Communication Services Law and its controversial implementing regulations, which clearly exceed the regulatory framework by granting powers to the regulatory agency that are not provided for by the law. Some examples of this are: i) the power to intervene in the affairs of the audiovisual broadcasting services on a discretionary basis: whether by revoking licenses or through simple summary proceedings, and ii) the oversight of the organization and mandatory content of the programming grid of subscription cable TV services, pursuant to which Cablevisión was imposed over 400 penalties throughout 2011 and 2012 that are now suspended by a court injunction.





The law that gave rise to these unconstitutional regulations continues to be challenged before the courts for its infringement of constitutional rights, the granting of broad and discretionary powers over media and content to the Executive Branch, the favoring of official voices, its effects on the sustainability of private media, for promoting the elimination of independent signals and establishing dangerous indirect censorship criteria through the arbitrary granting of licenses and the application of penalties, among other controversial aspects.

With respect to the Company, two court decisions that upheld preliminary injunctions and that provided for the suspension of the main sections of the Broadcasting Law are still effective; including but not limited to Section 161, which provides for the mandatory divestiture within the term of one year in order to conform to the new legal restrictions. In spite of the existence and full effectiveness of said court decisions against the law, the government sought to move forward with the implementation thereof in an authoritarian and overwhelming manner. This ratifies all the warnings about the potential danger of editorial control by an enforcement authority that is not independent.

The government has stretched the interpretation of certain preliminary injunctions issued in favor of Grupo Clarín in order to launch an attack on the group. The government's overblown interpretation was used as a platform to initiate a massive propagandistic and administrative operation to anticipate the end of Grupo Clarín and introduce the acronym "7D", which stands for December 7, the date on which the divestiture provision of the Law was supposed to become effective.

In this context, during the second half of 2012, the Executive Branch embarked on a fierce and unprecedented attack against the Judicial Branch, particularly in connection with the cases relating to the Audiovisual Communication Services Law.

The several activities, pressures and strategies implemented by the national government to interfere with the decisions of the Judicial Branch include, but are not limited to: several attempted appointments of judges that are in favor of the Broadcasting Law; pressures on and changes in majorities at the Council of the Judiciary; multiple recusations; pressures on and criminal charges against judges and advisors to remove them or cause them to resign; actions that resulted in the virtual fragmentation of the Courts on Civil and Commercial Matters; changes in the substitution system, and pressures on the Supreme Court up to and including customizing the government's request for a per saltum appeal to by-pass the regular process, among many other actions against a Republic's healthy system of checks and balances.

On December 6, the Federal Commercial and Civil Court of Appeals granted an extension of the term of the injunction issued in favor of the Company until a final judgment is rendered on the case. This was ratified by the Supreme Court of Argentina after rejecting several court filings from the national government. Horacio Alfonso, First Instance judge, declared Sections 45 and 161 of the Broadcasting Law constitutional, without considering the prevailing Freedom of Expression issues or the expert evidence presented in the case.

As mentioned in note 25.d to the Consolidated Financial Statements for the year ended December 31, 2012 filed with the London Stock Exchange, subsequent to year-end, on April 17, 2013 Chamber I of the Federal Court of Appeals on Civil and Commercial Matters decided to declare the unconstitutionality of some points of Section 45 and Section 48 of the Audiovisual Communication Services Law.

The Court decided that several core points of section 45 and also part of section 48 of the Audiovisual Communication Services Law are unconstitutional

and dismissed the claim of unconstitutionality with respect to sections 41 and 161.

In a long ruling, Ricardo Guarinoni, María Susana Najurieta and Francisco de las Carreras highlighted "the right to freedom of speech and information both as an inalienable right of every person and as an essential right for the very same existence of a democratic society."

Regarding section 45, Judge De las Carreras held that the Audiovisual Communication Services Law "imposes an unreasonable limitation on the number of audiovisual communication licenses; establishes certain unjustified incompatibilities among holders of certain licenses; and unfoundedly restricts the reach of the services to an arbitrary percentage of the aggregate population or subscribers". The judges also declared unconstitutional the second paragraph of section 48, which established that the multiple license regime may not be alleged as an acquired right in light of any regulations set forth under this law or which may be created in the future. In declaring the unconstitutionality of those aspects, the judges incorporated the opinions of technical expert witnesses and decided that there was no reason to maintain the unconstitutionality of section 161, which provides for a 1-year term for media groups to conform to the new law because it no longer affects the license regime or the acquired rights. The judges also decided to maintain the limit of up to 10 broadcast radio and television licenses held by the same media group, on the grounds that it is necessary to restrict the use of the radio spectrum. The decision also upheld section 41 regarding the license transfer regime.

Judge Najurieta highlighted "the power of the judges to control the constitutionality of laws" and held that "the media are the vehicle through which ideas and information are disseminated. Freedom of speech would be a mere theoretical declaration without the instruments required to publish ideas, provide information and have access to those ideas and information". "When a journalistic company has financial and technical resources, it can provide, without external influences, information and news reporting services. The combination of a reduction in audience share, a decrease in private advertising and a lack of official advertising leads to economic insecurity, which affects journalistic freedom", held the judges in their ruling.

The Company will file an appeal with the Supreme Court of Argentina in due time and form against the partial dismissal of the claim.



During 2012, the Company and its subsidiaries were also subject to other administrative attacks and maneuvers. The effects of Resolution No. 50 et. seq. issued by the Secretariat of Domestic Trade that arbitrarily and discriminatorily seek to fix Cablevisión S.A.'s monthly basic subscription price were suspended by the Federal Court of the City of Mar del Plata, in response to a motion filed by the Argentine Cable Television Association. Additionally, in connection with an administrative resolution issued by SECOM in 2010, whereby Fibertel's license was revoked, there are preliminary injunctions that suspend the application of the resolution and challenge its legality that are still effective.

At the same time, during the fiscal year, the offensive against independent media and free journalism continued to take very diverse forms, including the measures adopted by trade unions linked to the government, which repeatedly tried to prevent newspaper and magazine distribution by blockading printing facilities. Several official agencies also sought to control paper, the basic input for newspaper production.

The government's attempt to gain control of the paper industry has intensified, through several administrative and legislative measures that sought systematically to hinder the management of Papel Prensa (Papel Prensa supplies approximately 95% of the Argentine newspapers and the Company indirectly holds a 49% equity interest in that company). The government has tried to interfere with Papel Prensa's business practices and bring legal and administrative actions against it in a threatening and violent environment. For example, the government filed several motions with the CNV to have Papel Prensa's resolutions declared void for administrative purposes. Several summary proceedings against the Company, its directors and members of the supervisory committee are currently pending before the CNV. Additionally, this agency has recently been granted further discretionary powers under the controversial Capital Markets Law that was recently enacted.

On the legislative front, in 2011 Congress enacted Law No. 26,736, which declared a matter of public interest the production and sale of newsprint, violating several constitutional rights and guarantees. The bill was drafted by the National Government with the clear intent of controlling the production and import of this key input for the press, as pointed out and stated by national and regional journalistic associations, opposition leaders and several business sectors. Among

other things, the Law created a registry where all newsprint producers, sellers and buyers shall be registered and set limits and established conditions applicable to Papel Prensa for the production and sale of newsprint. This law also contains a series of temporary clauses, specifically and exclusively addressed to Papel Prensa, whereby Papel Prensa is forced to make investments to meet the total national newsprint demand - excluding from this requirement the other existing company that operates in the country with installed capacity to produce this input. The Law also provides for the capitalization of the funds eventually contributed by the National Government to finance these investments, contravening public order regulations contained in the Argentine Business Associations Law (Law 19,550), in order to dilute the equity interest of Papel Prensa's private shareholders. Said law is still effective and so are the limits on production and import of newsprint and the price per newsprint ton.

These and other deplorable actions that are not in line with the expected attitude of a democratic government towards the press were part of the challenging scenario in which private and independent media operated in 2012.



THE COMPANY. ORIGIN, EVOLUTION AND PROFILE

Grupo Clarín is Argentina's most prominent and diversified media group and one of the most important in the Spanish-speaking world. The Company is organized and operates in Argentina and its controlling shareholders and management are Argentine. Grupo Clarín is present in the Argentine printed media, radio, broadcast and cable television, audiovisual production, the printing industry and Internet access. Its leadership in the different media is a competitive advantage that enables Grupo Clarín to generate significant synergies and expand into new markets. Substantially all of Grupo Clarín's assets, operations and clients are located in Argentina, where it generates most of its revenues.

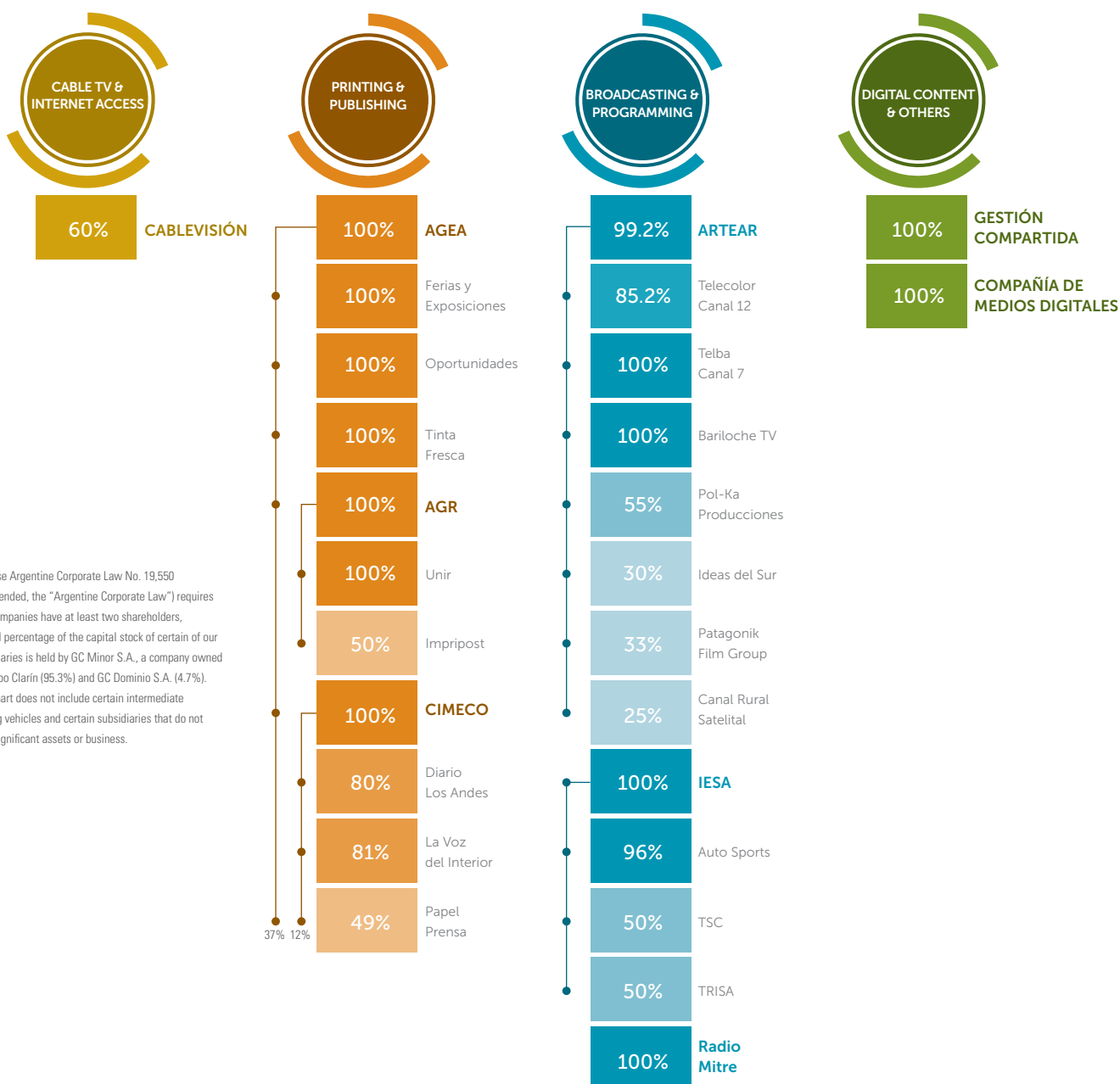
The Company also carries out operations at a regional level.

The companies that comprise Grupo Clarín employ around 17,000 people and, as of year-end, reported annual net sales of Ps.11.319 billion.

Grupo Clarín's history dates back to 1945, the year in which Roberto Noble founded the newspaper Clarín of Buenos Aires ("Diario Clarín"), with the goal of becoming a mass-distribution and quality newspaper, privileging information and committing to the comprehensive development of the country. Since 1969, Diario Clarín has been

led by his wife, Ernestina Herrera de Noble. It became the flagship national newspaper and has consolidated its position throughout the years thanks to the work of its journalists and the loyalty of its readers. Diario Clarín is now one of the Spanish-language newspapers with the highest circulation in the world. Grupo Clarín has been one of the main actors in the changes undergone by the media worldwide. It has incorporated new and varied printing activities and decided to embrace technological developments, investing to reach its audiences through new platforms and channels and through new audiovisual and digital languages.

THE CHART BELOW ILLUSTRATES COMPANIES IN WHICH GRUPO CLARÍN PARTICIPATES, DIRECTLY OR INDIRECTLY, ORGANIZED BY BUSINESS SEGMENT



Because Argentine Corporate Law No. 19,550 (as amended, the "Argentine Corporate Law") requires that companies have at least two shareholders, a small percentage of the capital stock of certain of our subsidiaries is held by GC Minor S.A., a company owned by Grupo Clarín (95.3%) and GC Dominio S.A. (4.7%). This chart does not include certain intermediate holding vehicles and certain subsidiaries that do not have significant assets or business.

In this way, Grupo Clarín entered the radio and television sectors. Today, it is the owner of one of the two leading broadcast television channels in Argentina (ARTEAR / El Trece) and of AM/FM broadcast radio stations. Along with the newspaper, these media are recognized as the most credible and considered leaders of Argentine journalism in one of the most diverse media markets in the world. For example, in Buenos Aires, the Company's media compete in a market that has 5 broadcast television stations, 550 radios, and 12 national newspapers.

Grupo Clarín also publishes Olé, the first and only sports newspaper in Argentina; the free newspaper La Razón and the magazines Ñ, Genios, Jardín de Genios, Pymes and Elle, among other publications. Through CIMECO, the Company holds equity interests in the newspapers La Voz del Interior, Día a Día and Los Andes, in a market of approximately 200 regional and local newspapers. The Company also holds an equity interest in a national news agency (DyN). In the audiovisual arena, the Company also produces one of the 5 cable news signals (Todo Noticias), and the cable television networks Volver and Magazine, among others, sports channels and events (TyC Sports), television series and motion pictures (through Pol-Ka, Ideas del Sur and Patagonik Film Group).

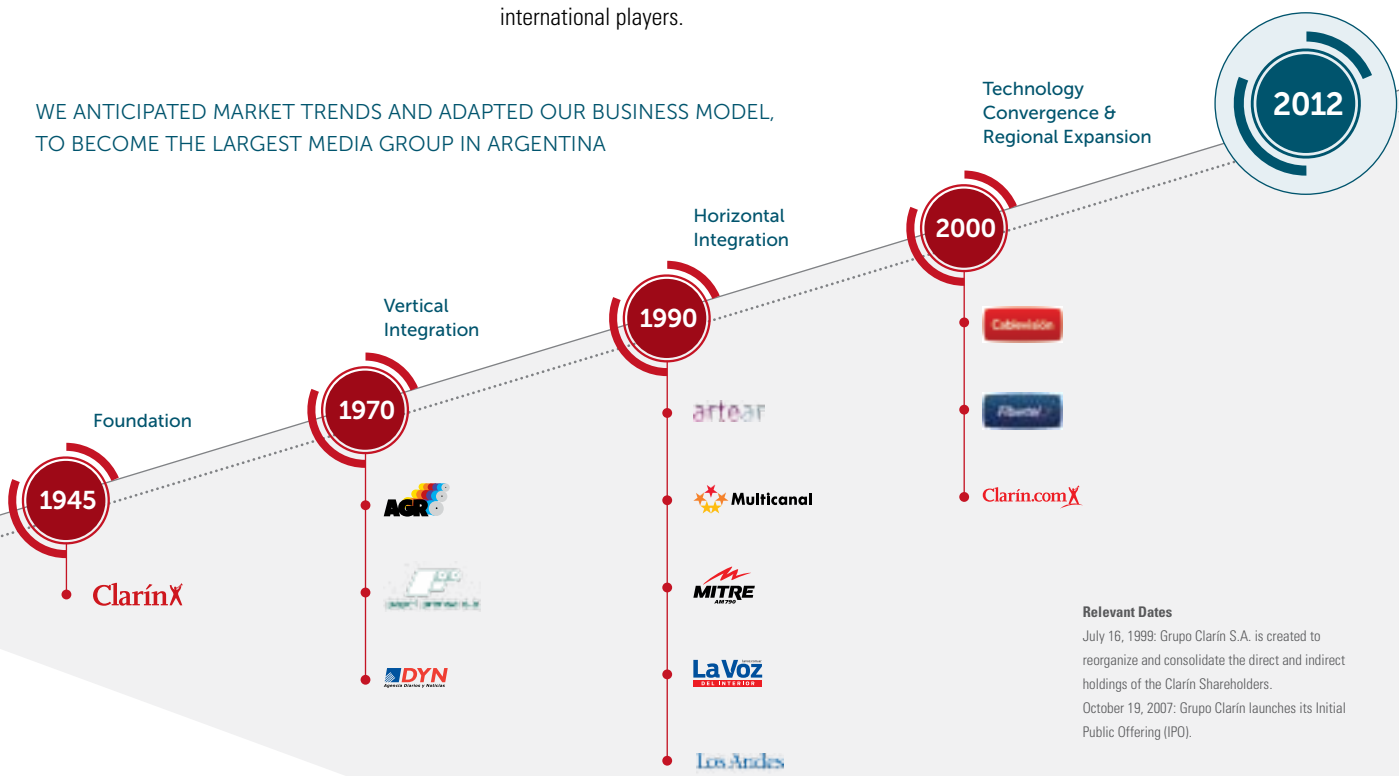
Another strength lies in its strategic stake in the content distribution sector, through cable television and Internet access. Since the beginning of Multicanal's operations in 1992 and after the recent acquisition of a majority interest in Cablevisión, Grupo Clarín has created one of the largest cable television systems in Latin America in terms of subscribers. Cablevisión is the first cable operator in Argentina among 700 operators and always competes with other cable or satellite options. Through Fibertel, it also provides high-speed Internet services and has one of the largest subscriber bases in a highly competitive market. In line with the global trend, Grupo Clarín has committed itself to expanding digital content production. Grupo Clarín's Internet portals and sites receive more than half of the visits to Argentine websites.

In 1999 Grupo Clarín was incorporated as an Argentine sociedad anónima, a corporation with limited liability. It gradually opened its capital to other participants and, since October 2007, it is listed on the Buenos Aires Stock Exchange and on the London Stock Exchange. It takes pride in having grown in Argentina, in being a source of influence on a local level in an increasingly transnational market with a size that enables it to compete without losing strength among large international players.

Grupo Clarín's investments in Argentina in the last 20 years have been very significant, always focused on Journalism and the mass media. Its activities have contributed to the creation of an important Argentine cultural industry and generate qualified and genuine employment. Its vision and business model focus on investing, producing, informing and entertaining, preserving Argentine values and identity, and preserving business independence in order to ensure journalistic independence.

In relation to its mission and values, since its foundation, Grupo Clarín has undertaken intense community activities. Grupo Clarín, together with the Noble Foundation, which was established in 1966, organizes and sponsors several programs and activities, particularly focused on education, culture and citizen participation. Furthermore, as an indication of its social responsibility throughout its history, Grupo Clarín focuses on the ongoing improvement of its processes and develops initiatives that arise from discussions with different stakeholders.

WE ANTICIPATED MARKET TRENDS AND ADAPTED OUR BUSINESS MODEL, TO BECOME THE LARGEST MEDIA GROUP IN ARGENTINA



GRUPO CLARÍN AND ITS BUSINESS SEGMENTS IN 2012

In terms of results, Grupo Clarín and its business segments grew again in 2012 in a highly challenging context. During this year the Company consolidated the positive economic and financial

performance trends of the previous years. Net consolidated sales increased by 21.4%, from Ps.9.325 billion to Ps.11.319 billion. The growth in cable modem Internet access subscribers played

a key role in the performance of subscription revenues. Sales of the remainder of the Company's products and services also increased.

SALES BREAKDOWN BY SOURCE OF REVENUE - DECEMBER 2012 vs. DECEMBER 2011

(In millions of Ps.)	CABLE TV & INTERNET ACCESS		PRINTING & PUBLISHING		BROADCASTING & PROGRAMMING		DIGITAL CONTENT & OTHERS		ELIMINATIONS		TOTAL		%	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Advertising	49.7	44.0	1,251.8	1,184.3	1,069.6	979.3	51.2	21.6	(126.5)	(125.7)	2,295.7	2,103.5	20.3	22.6
Circulation	-	-	879.5	645.4	-	-	-	-	-	-	879.5	645.4	7.8	6.9
Printing	-	-	169.0	184.9	-	-	-	-	(43.5)	(34.3)	125.6	150.6	1.1	1.6
Video Subs	5,704.8	4,429.0	-	-	-	-	-	-	-	-	5,704.8	4,429.0	50.4	47.5
Internet Subs	1,595.2	1,356.1	-	-	-	-	-	-	(6.8)	(2.9)	1,588.4	1,353.2	14.0	14.5
Programming	-	-	-	-	244.9	191.0	-	-	(70.4)	(57.9)	174.5	133.1	1.5	1.4
Other Sales	251.9	268.3	85.4	74.6	134.5	98.4	312.6	261.4	(234.0)	(192.1)	550.5	510.6	4.9	5.5
Total Sales	7,601.6	6,097.3	2,385.7	2,089.2	1,449.0	1,268.7	363.8	283.0	(481.2)	(412.9)	11,318.9	9,325.2	100.0	100.0

Cost of sales (Excluding Depreciation and Amortization) reached Ps.5,713.0 million, an increase of 21.9% from Ps.4,685.5 million reported for 2011 due to higher costs in our business segments, mainly in Cable TV and Internet Access and in Broadcasting and Programming segments.

Selling and Administrative Expenses (Excluding Depreciation and Amortization) reached Ps.2,833.2 million, an increase of 30.9% from Ps.2,164.1 million in 2011. This increase was mainly due to

higher costs in the Cable TV and Internet access and Printing and Publishing segments.

Adjusted EBITDA reached Ps.2,772.7 million, an increase of 12.0% from the Ps.2,475.6 million reported for 2011, driven by higher sales in the Cable TV and Internet access segment, though partially offset by a lower EBITDA in the Broadcasting and Programming and Printing and Publishing segments.

Financial Results Net totaled Ps.(916.2) million compared to Ps.(582.1) million for 2011. The increase was mainly due to higher interest expenses and peso depreciation during 2012, which went from Ps.4.30 per dollar at the end of December 2011, to Ps.4.92 per dollar as of December 31, 2012.

Equity in Earnings from Unconsolidated Affiliates in 2012 totaled Ps.13.7 million, compared to Ps.33.7 million for 2011.

ADJUSTED EBITDA

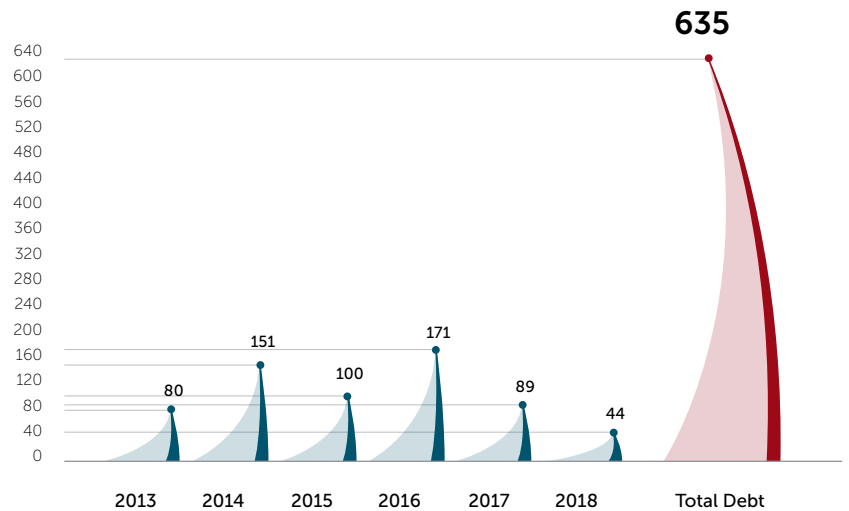
(In millions of Ps.)	2012	2011	YoY
Cable TV and Internet Access	2,406.9	1,963.8	22.6%
Printing and Publishing	229.9	259.7	(11.5%)
Broadcasting and Programming	136.1	252.7	(46.2%)
Digital Content and Others	(0.2)	(0.6)	64.7%
Subtotal	2,772.7	2,475.6	12.0%
Eliminations	-	-	NA
Total	2,772.7	2,475.6	12.0%

DEBT AND LIQUIDITY

(In millions of Ps.)	FY12	FY11	% Change
Short Term and Long Term Debt			
Current Financial Debt	501.3	446.7	12.2%
Financial loans	130.6	118.6	10.1%
Negotiable obligations	165.2	129.0	28.1%
Accrued interest	95.0	86.0	10.5%
Acquisition of equipment	70.1	40.3	74.1%
Sellers Financing Capital	1.1	8.2	(86.5%)
Sellers Financing accrued interest	-	-	NA
Related Parties Capital	13.2	13.2	0.3%
Related Parties accrued interest	0.1	0.1	6.8%
Bank overdraft	25.9	51.3	(49.5%)
Non-Current Financial Debt	2,738.3	2,808.7	(2.5%)
Financial loans	24.5	127.8	(80.8%)
Negotiable obligations	2,576.7	2,584.0	(0.3%)
Accrued interest	-	-	NA
Acquisition of equipment	131.0	90.4	44.9%
Sellers Financing Capital	0.3	0.8	(60.2%)
Sellers Financing accrued interest	-	-	NA
Related Parties Capital	4.2	4.2	-
Related Parties accrued interest	1.5	1.5	3.9%
Bank overdraft	-	-	NA
Total Financial Debt^(A)	3,239.7	3,255.4	(0.5%)
Measurement at fair Value	(50.9)	(54.7)	7.0%
Total Short Term and Long Term Debt	3,188.8	3,200.7	(0.4%)
Cash and Cash Equivalents ^(B)	1,304.7	865.6	50.7%
Net Debt ^{(A) - (B)}	1,934.9	2,389.8	(19.0%)
Net Debt/Adjusted EBITDA (Last 12 Months)	0.70x	0.97x	(27.7%)
% USD Debt	96.6%	94.5%	2.1%
% Ar. Ps. Debt	3.4%	5.5%	(37.1%)

Debt Profile as of December 31, 2012*

(USD MM, Balance Sheet)



*Exchange Rate: 4.92 ARS/USD.

Other Income (expenses), Net reached Ps.0.6 million, compared to Ps.1.5 million in 2011.

Income Tax as of December 2012 reached Ps.(524.9) million, from Ps.(425.0) million in December 2011.

Income from Discontinued Operations, reached Ps.498.7 million, compared to Ps.47.3 million in 2011.

Net Income totaled Ps.972.3 million, an increase of 23.8% from Ps.785.6 million reported for 2011. This was mainly a consequence of higher EBITDA in the Cable TV and Internet access and the income relating to the sale of the discontinued operations of Cablevisión's subsidiaries in Paraguay. Also it was partially offset by a lower EBITDA in the Broadcasting and Programming and higher peso depreciation. The Equity Shareholders Net Income amounted to Ps.482.3 million, a decrease of 6.3% compared with figures of December 2011.

Cash used in acquisitions of property, plant and equipment (CAPEX) totaled Ps.1,383.0 million in 2012, a decrease of 6.4% from Ps.1,478.1 million reported for 2011. Out of the total CAPEX in 2012, 93.5% was allocated to the Cable TV and Internet access segment, 3.7% to the Broadcasting and Programming segment and the remaining 2.8% to other activities. Capex in the Cable TV and Internet Access segment pertains to subscriber growth, network upgrades and digitalization.

By the end of 2012, Grupo Clarín's gross consolidated financial indebtedness (including sellers financing, accrued interest and fair value adjustments) was approximately Ps.3.2 billion, while net consolidated indebtedness was approximately Ps.1.88 billion, representing a decrease of 0.4% and 19.3%, respectively, compared to the previous year. Debt coverage ratio⁽¹⁾ for the period ended December 31, 2012 was 1.17x and the Net Debt at the end of this period totaled Ps.1,934.9 million.

(1) Debt Coverage Ratio is defined as Total Financial Debt divided by Adjusted EBITDA (Last Twelve Months). Total Financial debt is defined as financial loans and debt for acquisitions, including accrued interest.

SUPPLEMENTARY FINANCIAL INFORMATION

The information included in the Supplementary Financial Information is part of this Annual Report and, therefore, should be read in conjunction with same.

Setting Up Of Reserves

Pursuant to the Argentine Corporate Law and CNV resolutions, Grupo Clarín is required to set up a legal reserve of no less than 5% of each year's retained earnings until such reserve reaches 20% of its outstanding capital stock plus the corresponding adjustment. The legal reserve is not available for distribution to shareholders.

Financial Position and Results of Its Operations

During this year, the main changes in the Company's financial position and results of its operations were the following:

Working capital (current assets minus current liabilities) at year-end decreased by Ps.22.3 million compared to the previous year, from (negative) Ps.46.3 million to (negative) Ps.68.6 million. This decrease is basically evidenced in the decrease in Company funds (the items Cash and Banks and Other Current Investments) in the amount of Ps 19.8 million, paired with a net decrease in receivables and liabilities, mainly between related parties.

With respect to non-current items, the most significant variation was recorded under Investments, due to the results obtained by Grupo Clarín's subsidiaries, mainly Cablevisión S.A. (indirectly), Arte Gráfico Editorial Argentino S.A. and Arte Radiotelevisivo Argentino S.A.

The Statement of operations as of December 31, 2012 recorded a net income of Ps.482.3 million. Such income is basically derived from earnings of Ps.511 million resulting from equity investments in affiliates and subsidiaries.

Grupo Clarín S.A. is still controlled by GC Dominio S.A., which holds 64.2% of its voting rights. Balances and transactions with related parties are detailed in Note 8 to the Parent Company Only Financial Statements.



Proposal of the Board Of Directors

Net income for the year ended on December 31, 2012 was Ps.482,310,720. The Board of Directors proposed to the Annual Ordinary Shareholders' Meeting that such income be distributed as follows:

Net income 2012 (Attributable to Equity Shareholders)

To the Legal Reserve	Ps.24,057,630
To absorb the Accumulated Deficit	Ps.1,158,122
To the Optional Reserve to give financial aid to its subsidiaries and the Broadcasting Law	Ps.457,094,968

Below is a summary of the main criteria on which the above allocation proposed by the Board of Directors is based:

-Legal reserve: The legal reserve was calculated pursuant to Section 70 of Law No. 19,550 and CNV resolutions, considering 5% of the net income for the year, minus previous years' adjustments and accumulated losses until it reaches 20% of the capital stock, plus the balance of the Capital Stock Adjustment account.

-Accumulated deficit: To absorb the difference arising from presenting the annual financial statements under the International Financial Reporting Standards (IFRS) for the first time.

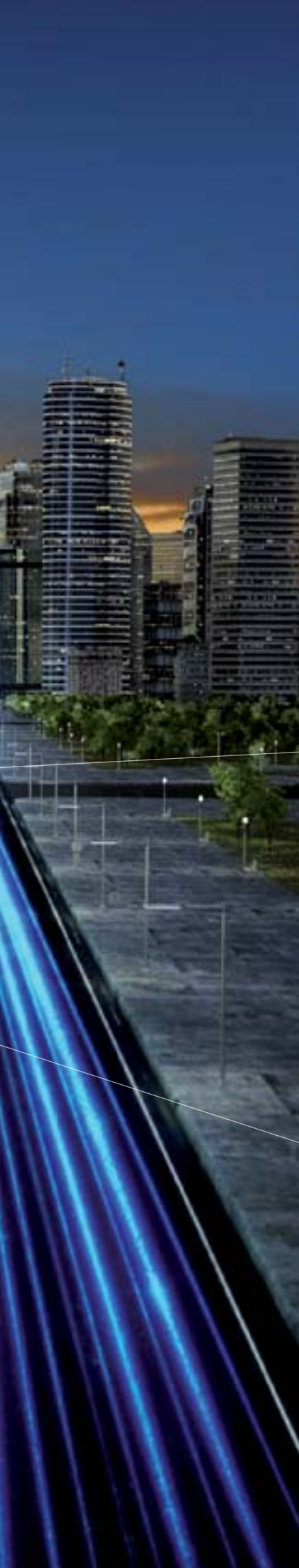
-Optional Reserve to give financial aid to subsidiaries and the Broadcasting Law: Even though net income for the year will become liquid if the subsidiaries distribute the related cash dividends, this year there are other issues to be considered that, under a prudent management, make it advisable to allocate said income to an optional reserve only to deal with the potential implications of such other issues.

As mentioned throughout this annual report, the outlook for the Company and its main subsidiaries is expected to be uncertain due to the discretionary allocation of official advertising in detriment of independent media, the fact that private companies were banned from including their advertising slots in independent media, and the eventual impact of an adverse and final judgment on the Broadcasting Law case, among other uncertainties described in this Annual Report, coupled with the existing financial commitments. Therefore, the Board of Directors proposes to the Shareholders that the remaining net income for the year be allocated to set up this optional reserve.

Subsequently to the end of the period, on April 25, 2013, Grupo Clarín held its General Annual Ordinary Shareholders Meeting. On that occasion, the shareholders considered and approved the 2012 Financial Statements and the Annual Report and other related documentation and the performance and compensation of Directors, Supervisory Committee and Audit Committee. Also, they elected members of the Board of Directors and mentioned committees for fiscal year 2013, along with an external auditor.



CABLE TELEVISION AND INTERNET ACCESS



Grupo Clarín operates, through Cablevisión, one of the main regional integrated cable television and broadband systems. This segment's revenues mainly derive from monthly subscriptions to basic cable television service and high-speed Internet access. To a lesser extent, its revenues also derive from connection and advertising charges, sales of premium and pay-per-view programming, digital packages, DVR, and high definition signal packages (HD) and sales of the magazine "Miradas".

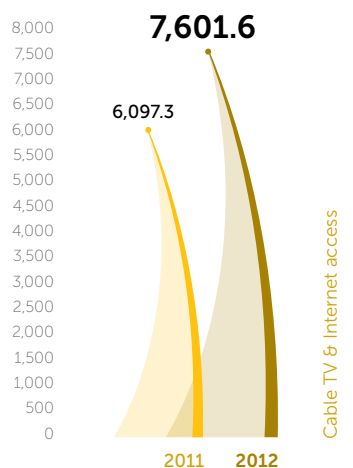
Out of Grupo Clarín's total sales in 2012, the Cable television and Internet access segment

was the Company's main revenue driver, with sales of Ps.7.768 billion, taking into consideration intersegment sales and sales from discontinued operations.

Regarding the geographic availability of Grupo Clarín's services, by the end of 2012, its network reached approximately 7.3 million Argentine households. Grupo Clarín provides services in the City of Buenos Aires and suburban areas, as well as in the provinces of Buenos Aires, Santa Fe, Entre Ríos, Córdoba, Corrientes, Formosa, Misiones, Salta, Chaco, Neuquén and Río Negro. Regionally, Grupo Clarín also operates in Uruguay.

NET SALES*

(In millions of Ps.)

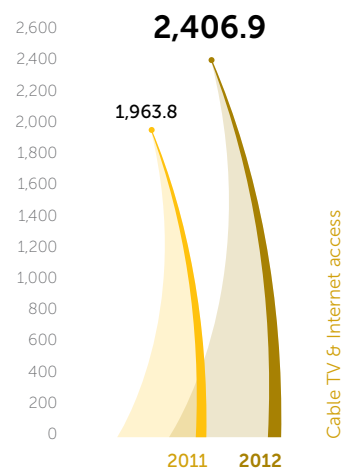


YoY

24.7%

ADJUSTED EBITDA*

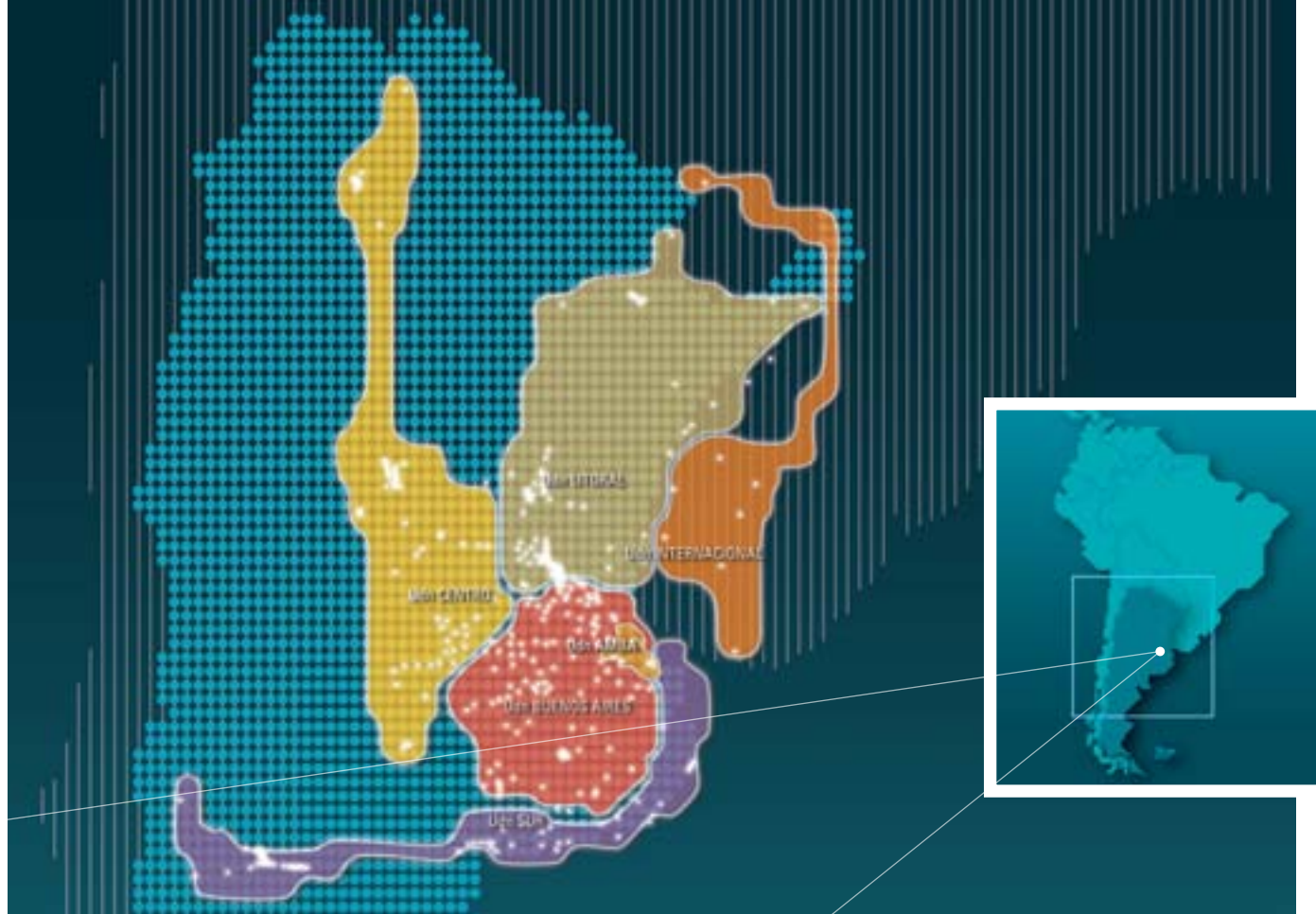
(In millions of Ps.)



YoY

22.6%

*Figures do not include those from discontinued operations in Paraguay.



During 2012, the Company completed the sale of Cablevisión's subsidiaries in Paraguay to the Paraguayan company Telefónica Celular del Paraguay S.A. ("Telecel"), a subsidiary of Millicom International Cellular S.A. At the time of the sale, Cablevisión offered paid TV and Internet services in Asunción and Gran Asunción. It had 122,900 paid TV subscribers and 13,700 Fibertel subscribers.

In Argentina, at year-end, it had approximately 3,288,800 paid TV subscribers and 1,504,500 Internet subscribers.

Cablevisión's network's backbone consists entirely of fiber optic cable. The bi-directional service network architecture and the new networks rely on a fiber to service area ("FSA") design, which combines cable network fiber trunks with coaxial cable extensions and allows bi-directional transmission.

By the end of 2012, most of the homes in Cablevisión's network were passed by its 750 MHz bi-directional broadband. Cablevisión's 750 MHz networks enable it to offer services and products that generate additional revenues, such as access to Internet, digital services and premium channels.

Operating Statistics - CABLE TV AND INTERNET ACCESS

	2012	2011	YoY
Homes Passed⁽¹⁾	7,455.9	7,586.5	(1.7%)
Bidirectional Homes Passed	63.9%	63.2%	1.1%
CABLE TV			
Total Consolidated Subscribers ⁽¹⁾⁽⁵⁾	3,404.7	3,490.3	(2.5%)
Subscribers - Argentina	3,288.8	3,264.4	0.7%
Subscribers - International	115.9	225.9	(48.7%)
Uruguay	115.9	110.0	5.4%
Paraguay	-	115.9	-
% over Homes Passed	45.7%	46.0%	(0.7%)
Total Equity Subscribers⁽⁵⁾	3,523.2	3,566.6	(1.2%)
Churn Rate %	15.0%	15.1%	(0.2%)
DIGITAL VIDEO⁽¹⁾⁽³⁾			
Digital Ready Pay TV Subs	2,689.3	2,656.0	1.3%
Total Digital Decoders	1,107.2	1,082.5	2.3%
Argentina	990.0	875.0	13.1%
International	117.2	207.6	(43.5%)
Penetration over Digital Ready TV Subs	41.2%	40.8%	1.0%
INTERNET SUBSCRIBERS⁽¹⁾⁽³⁾⁽⁴⁾			
Total Internet Subscribers⁽¹⁾⁽⁴⁾	1,504.4	1,351.1	11.3%
Cablemodem ⁽¹⁾	1,489.4	1,331.3	11.9%
ADSL ⁽¹⁾	8.4	12.1	(30.8%)
Dial Up ⁽¹⁾	6.6	7.6	(13.9%)
% over Bidirectional Homes Passed	31.6%	28.2%	12.0%
Total ARPU⁽²⁾	186.9	153.4	21.9%

(1) Figures in thousands

(2) Net Sales / Average Pay TV Subscribers (does not include subscribers from discontinued operations in Paraguay).

(3) Total subscribers consolidated following the same consolidation methods used in the financial statements as of each year end.

(4) Total Internet Subscribers includes those from discontinued operations in Paraguay (11,305 subs for period 2011).

(5) Total subscribers considering the equity share in each subsidiary.



Programming, Cable Television and Internet Services

Cablevisión offers subscribers a basic service plan that includes the main programming signals, depending on the capacity of local networks. It offers basic and premium programming from more than 25 providers and broadcast television stations of the City of Buenos Aires. Most of the programming agreements include pricing terms denominated in Argentine Pesos generally linked to the number of subscribers.

By paying an additional fee and renting a digital set-top box, Cablevisión subscribers receive premium packages and pay-per-view programming that include additional movie channels and adult programming, among other products.

Cablevisión is also offering digital services to its subscribers that include a basic digital package, as well as Premium and High Definition (HD) services. Such products are offered in the City of Buenos Aires and its surrounding areas (the "AMBA Region"), in the province of Buenos Aires, and in the main markets of the provinces (such as, Córdoba, Rosario, Santa Fe, etc.). This service allows to broaden the signal offering and features an on-screen guide.

Cablevisión has a high definition signal package (HD) as well as the Cablevisión Max HD product, a state-of-the-art digital set-top unit with digital video recorder enabled (DVR). By the end of 2012, Cablevisión had 29 HD signals comprising different genres in order to enhance this product's offering. During 2012, Cablevisión broadcast events using 3D technology for clients that are subscribed to the Premium HD service and have the adequate equipment to support that technology.

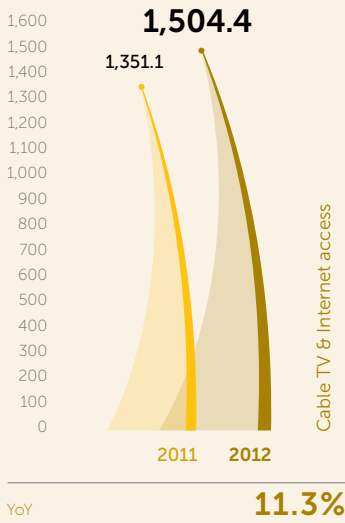
In order to increase its brand value, move forward with innovation and content production to meet client demands and continue with the development of the digital products launched in 2007, during the last quarter of 2012, Cablevisión launched the VOD (Video On Demand) platform that allows subscribers to buy programs or event packages on demand through a programming library and that features video functions (pause, fast-forward, rewind).

As of December 31, 2012 there were approximately 1,099,500 digital set-top units for the Premium service in all of Cablevisión's operational regions (including Uruguay), resulting in a penetration rate of approximately 32.3% of all subscribers to its basic cable service provided through its digital network. Cablevisión also offers Cablevisión Flex, an optional social service of digital paid television with a reduced subscription, to approximately 500,000 neighbors of low-income areas. This service, which seeks to enhance "digital inclusion", includes the installation of digital set-top units and allows clients to buy a service with fewer signals for half the price and gradually buy additional signal packages until completing a full basic product.

As to Internet access services, Cablevisión offers connectivity products specially designed to meet the needs of both residential and corporate users. The products offered comprise high-speed cable modem Internet access through its 750 MHz network under the Fibertel brand and through other broadband technologies.



Total internet subscribers⁽¹⁾



Cable TV & Internet access

Fibertel is undoubtedly the broadband service that offers the highest speed in the market, widely and at competitive prices. It continues to offer Fibertel Evolution, a product with 30-mega downstream speed and 3-mega upstream speed. It is the first internet provider in the country to sell a product of the new Wideband generation - a new technology that allows clients to surf the web at substantially higher speeds. Wideband is based on Docsis 3.0 technology. Its main functionalities are the following: browsing with multiple “windows” opened at the same time, real-time streaming, viewing instant high-definition videos uninterrupted and ability to connect several devices browsing simultaneously to a single modem without sacrificing speed. This service is currently available in the AMBA region, Córdoba, Rosario, La Plata, Santa Fe, Paraná and other cities in the country’s provinces.

As of December 31, 2012, Cablevisión had 1,483,000 clients to cable modem Internet access in Argentina through its own networks; 6,600 clients to the dial-up system; 8,400 clients to the ADSL system and 6,500 to other broadband technologies. Even though Cablevisión has these three technologies, its main focus and differentiating feature is cable modem. It has a leading position in that market under the brand Fibertel and is a clear referent in its category.

During 2012, Cablevisión launched Fibertel Zone, the first Argentine WI-FI circuit. This service allows surfing the web for free at the highest speed at bars, restaurants, movie theaters, gyms and parks, among many other spots. The requirements to surf the web at a Fibertel Zone point are a Wi-Fi enabled mobile device and selecting the applicable network.

(1) Figures in thousands and Total Internet Subscribers includes those from discontinued operations in Paraguay (11,305 subs for period 2011).





Commercialization and Customer Service

Cablevisión uses several market positioning mechanisms, including promotions, customer service center locations, newsletters about the company, institutional information and programming through its websites. It advertises in the printed media and over its own broadcasting signals. Cablevisión also publishes a free monthly guide distributed to most of its cable television service subscribers and a monthly magazine called "Miradas", which is sold to a portion of its subscriber base.

Customer service is provided through an integrated service center that offers round-the-clock support, with the aim of optimizing the customer relationship. In this regard, it launched "Sucursal Virtual", a website that enables its subscribers to interact with the company to follow procedures that were previously carried out through a telephone call or even in person.

Even though most interactions take place over the phone, subscribers may also contact the customer service by e-mail, fax, chat and the web site. During 2012, in terms of technological innovation, Cablevisión introduced a new tool that allows the company to render customized customer service to subscribers that contact it through social networks, particularly Facebook and Twitter. During 2012, Cablevisión took improvement actions that consolidate the customer service model in order to address client questions with a satisfaction level above the market average.

In November 2012, Cablevisión successfully completed "Open Project", an initiative that had

been launched in March 2009, making a drastic organizational change through the implementation of a new customer management system. The main purpose was implementing a world-class telecommunications system that allowed Cablevisión to improve its capacity to launch new products and services, such as, VoIP, triple-play, VOD (Video on demand), more cable signals and broadband improvements.

Video subscriber turnover rate for the year ended December 31, 2012 was 15.0%, compared to 15.1% recorded in the previous year. During the year 2012, Cablevisión gained 46,700 subscribers (including net new subscriptions from Paraguay during January-September), compared to 132,400 subscribers during the prior year.

Competition

Cablevisión competes in the cable television segment against other cable television operators and providers of other television services, including direct, satellite and broadcast services. Given the fact that licenses are granted on a non-exclusive basis, Cablevisión's systems have been frequently subject to overlapping of one or multiple competing cable networks; in addition to the satellite service that is available throughout the company's entire coverage area. Free broadcasting services are currently available to the Argentine population; in the AMBA region, these services primarily include four private television signals (one of them is controlled by Grupo Clarín) and its local subsidiaries and a national state-owned television

signal. Additionally, under a project aimed at implementing the Argentine Terrestrial Digital TV System, the National Government handed out digital set-top units among certain sectors of society that allow free access to certain signals.

The Argentine cable television industry has more than 700 operators. The most significant competitors are Telecentro S.A. located in the AMBA region and DIRECTV (DTH technology), and Internet video streaming systems (Netflix, Arnet play, Speedy) that compete against Cablevisión nationwide.

The Company can effectively compete against other cable television providers on the basis of a competitive price, a higher number of quality programs and the customer service it renders through its call-center.

Two major competitors (Arnet and Speedy) are identified in the high-speed Internet access segment; each of them related to one of the country's two fixed-telephony providers. These companies also render 3G services through their brands Personal and Movistar, respectively. Claro -which had already been selling 3G technology, started to offer high-speed Internet services through fiber optics.

Therefore, the Internet access segment faces fierce competition from several providers in an ever-growing market.

Strategy

The long-term business strategy in the cable TV and Internet access segment involves ongoing investments in updating the networks, seeking to increase value for each customer, by introducing innovative and competitive services and products while staying focused on customer satisfaction. The core elements of the long-term strategy include: an expansion of the cable television and Internet broadband connectivity subscriber base, focusing on maintaining the highest speed in the market and stressing customer service and the brand. This strategy also involves improvements in technology, and broader investments intended to streamline a flexible network architecture serving as a platform for developing additional video Internet and voice services to realize the potential provided by technology convergence.



PRINTING
AND PUBLISHING

Grupo Clarín, through Arte Gráfico Editorial Argentino S.A. ("AGEA"), is the main newspaper publisher in Argentina and one of the most prominent editorial content producers in Latin America.

Out of Grupo Clarín's total sales in 2012, the printing and publishing segment accounted for Ps.2.386 billion, taking into consideration intersegment sales. This segment derives revenues primarily from the sale of advertising, copies of newspapers and magazines and optional products.

Arte Gráfico Editorial Argentino

AGEA publishes Clarín, the flagship Argentine newspaper and one of the most important in terms of circulation in the Spanish-speaking world; Olé, founded in 1996, the first and only sports newspaper of its kind in the Argentine market; Diario La Razón, a pioneer in the free newspaper segment as well as Diario Muy, launched in 2011; regional supplements; Genios, a magazine with a high penetration rate in the schoolchildren's segment. It also publishes Jardín de Genios, aimed

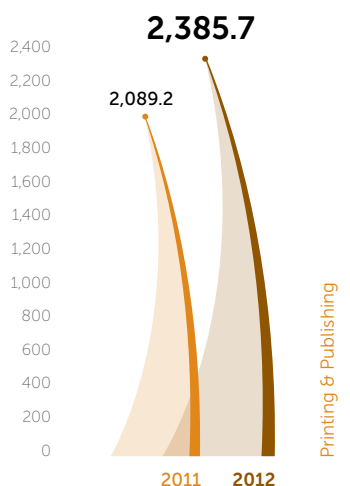
at children between 2 and 5 years of age with a supplement for parents; Ñ, a cultural magazine that reflects all cultural news and trends; Revista Pymes, aimed at small- and medium-sized businesses; and Diario de Arquitectura, aimed at the construction world, architects, designers and building contractors, among other products.

Through Artes Gráficas Rioplatense S.A. ("AGR"), a controlled subsidiary, the Company is also engaged in color printing, publishing and distribution activities. AGR prints Viva, Clarín's Sunday magazine and the monthly magazine Shop & Co and carries out other production activities for third parties, including book series, telephone directories and flyers.

AGEA has a strong presence in the online classified ads segment through vertical sites, including Autos, Inmuebles y Empleos and in the Internet content market through its websites clarin.com, ole.com.ar, entremujeres.com and biencasero.com. Through its subsidiary and controlled company, Tinta Fresca Ediciones S.A., the Company entered the textbook editorial market.

NET SALES

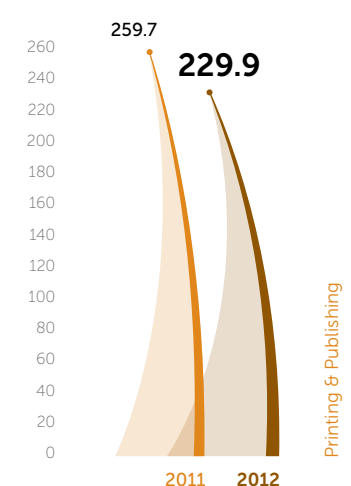
(In millions of Ps.)



YoY **14.2%**

ADJUSTED EBITDA

(In millions of Ps.)



YoY **(11.5)%**



DIARIO CLARÍN

With a long-standing journalistic and commercial leadership consolidated in its 67-year track record, Clarín is the most prominent Argentine newspaper in terms of outreach, influence, circulation and advertising.

The success of its prestigious editorial line lies in its identification with the needs and emotions of its audience through a plural and independent journalistic style that includes the most diverse opinions. Clarín's approach to reality is in tune with its audience, supporting this bond with the responsibility and credibility that characterizes its journalists. Its extensive and thorough investigations, approaches and analyses are conveyed in clear and direct language, providing its readers with easy access to the different sections and issues.

During 2012, its daily circulation reached almost 271,000 copies, 1.6 times higher than its closest competitor. On Sundays, over 595,000 copies are sold, which places it among the major Sunday newspapers of the world. Clarín has a 38.7% share of the newspaper market in the City of Buenos Aires and the province of Buenos Aires and a 9.7% share in the provinces. On a national level, it had a 24% market share.

Clarín 365 was launched on October 11, 2010 to build loyalty among readers and to reinforce its close bond with them, as well as to retain circulation. It is a Benefits Program for Clarín subscribers that offers discounts, promotions and benefits in more than 1,600 brands and 4,700 stores nationwide. With an average of 461 new subscriptions per day as of December 31, 2012, the program had almost 219,000 subscribers.

Given its broad circulation and reach to all social classes, Diario Clarín leads the print media market. It is ranked first in terms of advertising revenues and sold advertising space, and also leads all advertising categories (display, special section and classified ads). With advertising sales revenues exceeding Ps.823 million in 2012, Clarín maintains its advertising leadership both in Display and Classified ads. Online advertising sales rose by 20% to Ps.98.7 million, compared to the previous year.

From an editorial perspective, Clarín reaffirmed its long-standing journalistic leadership. Its in-depth coverage of this year's most outstanding news revealed once again the production quality of its reports and the depth of its approaches and insights. The work of the paper's investigation team, the constant proposal of new editorial products and the launch of new publications continue to reflect the work of the greatest team of journalists in Argentina.

Honoring its traditional journalistic excellence, Clarín received again the Rey de España award, the most important recognition to the Spanish-speaking press. As in 2011, Clarin.com won the Rey de España award in the category "best approach over the Internet". This year the price was awarded to a special program on the historical trial referred to as Juicio a las Juntas (the claim brought against the members of the military juntas). A team from Clarin.com led by

Operating Statistics - PRINTING AND PUBLISHING

	2012	2011	YoY
Circulation (1)	311.7	331.2	(5.9%)
Circulation share % (2)	38.7%	40.0%	(3.3%)
Advertising share % (3)	50.3%	54.0%	(6.9%)

(1) Average number of copies according to IVC (including Diario Clarín and Olé)

(2) Share in Buenos Aires and Greater Buenos Aires Area (AMBA) Diario Clarín. Source: AGEA and IVC.

(3) Share in Buenos Aires and Greater Buenos Aires Area (AMBA) Diario Clarín. Source: Monitor de Medios Publicitarios S.A.



Pablo Loscri, from Clarín's Arts and Infographics Department, did an impressive job reconstructing each and every instance of the historical trial against the military juntas in a multimedia special site at Clarin.com.

In addition, Clarín received the following awards: Universidad de Buenos Aires: Award to the Education Supplement; Adepa: Award to Revista VIVA, Ana Laura Pérez and Alejandra Gallo; IPYS Transparencia Internacional: Nicolás Pizzi, Omar Lavieri, Nicolás Wiñazki, Rodolfo Lara and Daniel Santoro were distinguished with honorable mentions for their investigation on the Schoklender case and Madres de Plaza de Mayo; Citi Journalistic Excellence Award to Ezequiel Burgo. In November 2012, a special series on drug trafficking at Villa 1-11-14, a slum located in the Bajo Flores neighborhood, received the second Latin-American Drug Journalism Award, organized by the Latin-American Conference on Drug Policy.

In 2012, Diario Clarín offered outstanding promotions that increased interaction with readers, among them, the edition of the game "El Gran DT". Argentina's most popular game engaged more than two million participants last year. As of year-end, the game had 500,000 unique users, more than 60 million visits, almost 1 billion page views, an average time on site of 11 minutes and visits from over 140 countries.

Diario de Arquitectura has continued to launch high-quality collectibles, such as, "Patrimonio argentino".

During 2012, ARQ launched a series of special editions and products, such as the special edition ARQ 10 AÑOS commemorating the 10th anniversary of the magazine. During the year, Clarín announced the latest winners of the ARQ award, which recognizes the best Argentine architectural work of the last five years on a regional basis and held the award ceremony of the contest Gran Premio Nacional Arq.

During the year, the Company continued to offer its 12 regional newspapers. Keeping its close bond and symmetry with readers, the product yielded considerable profitability and was a good support to the Thursday's edition of Diario Clarín. During the year, the Company made efforts to strengthen the newspaper's position among local audiences (through special editions and instant promotions). The regional newspapers cover the following locations: Vicente López, San Isidro, Morón - Ituzaingó and Hurlingham, Lomas de Zamora, Avellaneda - Lanús, San Martín - Tres de Febrero, La Matanza, Tigre - San Fernando, San Miguel - Malvinas Argentinas - José C. Paz and Quilmes - Berazategui - Florencio Varela, while monthly newspapers cover Pilar, Escobar, Zárate and Campana, and Moreno, Rodríguez and Luján.

During 2012, the Company completed the second stage of the web project for regional newspapers, including the launch of 8 new sites exclusively devoted to reporting local news in the province of Buenos Aires, in addition to the sites that under operation since 2011.





With respect to sports, in addition to the game El Gran DT, in 2012 special supplements were published in the Sports Supplement covering prominent events, including but not limited to the Rally Dakar; the Davis Cup, and the London Olympic Games. The supplement covered all major sporting events during the year, including hockey, rugby, golf and swimming, with correspondents providing quality information to readers. As usual, soccer has had its preferential spot. Special supplements were published covering the Clausura and Apertura tournaments.

The Sports Supplement also held its usual annual award ceremony Premios Clarín Deporte. Sergio Maravilla Martínez received the award to the best sportsman of the year. The event was also broadcast by TyC Sports and clarin.com.

In order to continue to add value to its readers, Diario Clarín constantly keeps up to date and offers a wide range of editorial products together with the core product, addressing the need to satisfy an increasing segmentation among the diverse demographic groups. It was an intense year in terms of collectible and optional products, consolidating Grupo Clarín as one of the major book editors of Argentina.

The highlights were: Grandes Enigmas de La Humanidad; Aventuras de Película 2; Batman; Grandes Fotografías National Geographic; El Gran Libro Clarín de las Tartas y Ensaladas; Gran Atlas de la Ciencia NG; Salvemos Nuestra Tierra; El Gran Libro del Tejido 2012; Grandes Pinturas de la Historia; Grandes Batallas Argentinas; Pastas y Arroces; El Gran Libro de Los Rolling Stones; El Gran Libro de la Historia del Automóvil; Batman. El Caballero de la Noche Asciende; Fábulas de Mi País; El Gran Libro Clarín del Crochet 2012;

Británica. Enciclopedia Universal Ilustrada; Corín Tellado; 50 Grandes Restaurantes. Sus Mejores Recetas; El Gran Diccionario de Inglés; El Diario de Nat Geo; Plan Verano; Calendario 2013 and Angry Birds.

Clarín's products continued to set trends, and brand loyalty activities contributed to the consolidation of readers' strong relationship with the brand. Further efforts were channeled into strengthening the bond with advertisers, bringing together new sectors and identifying their needs. Clarín organized the new edition of its renowned Clarín Awards, honoring its strong commitment to the promotion of Argentina's best in the cultural and sports fields. To this effect, the 15th consecutive "Premio Clarín de Novela" ceremony was held, where Fernando Monacelli received the main award for his novel "Sobrevivientes". The novel was published by Clarín-Alfaguara and the author won Ps.150,000.



Internet

Clarín.com is a news and opinion portal with updates in real time and free access on a 365/24/7 basis, which has been online since 1996. In addition to the full version of the printed newspaper and its archive, Clarín.com features ongoing updates of news produced and published by its own journalists. During 2012, Clarín.com maintained its leadership in the Argentine market and ranked as the most visited Spanish-speaking news site in Latin America, with more than 10,800,000 unique users and 163,000,000 page views, per month (Source: Certifica, Clarín, 2012 January-December average).

To further innovate in its ordinary business, Clarín.com took a strong step forward as audiovisual producer, and ventured into the online live broadcasting of long-lasting HD events on a broad range of themes. During 2012, the Company completed 15 productions and live-streams.

The web was not the only way to reach the audience. Through Clarín.com, 729,000* unique users were kept informed from their mobile devices and 750,000** people downloaded the product application choosing Clarín.com as preferred brand accompany them at all times.

Clarín.com has also become the news site that experienced the largest growth in social networks in Argentina over the last year, thanks to an innovative approach to news reporting and interaction with the community. In December, Clarín.com had 1,900,000 followers on Facebook and 400,000 on Twitter. Through hard work, it has become the Spanish-speaking news site with the largest number of followers on Facebook in Hispanic Latin America and the second largest worldwide, following The New York Times.

* Certifica, Clarín, 2012 January-December average.

** Devices: Nokia, iPhone, iPad, BlackBerry, Blackberry

Playbook - accumulated downloads as of December 31, 2012.

Other Newspapers

La Razón, the first-ever free distribution newspaper, is mainly distributed in the public transportation network of the City of Buenos Aires, including trains, subways and high-ways. La Razón is also distributed at certain bars and among a group of opinion leaders. Building upon the concept that “La Razón is a travelling companion”, as it does every summer, the newspaper sent copies throughout the season to Mar del Plata, Pinar and Villa Gesell. During 2012, La Razón continued to publish Agenda Cultural de la Ciudad de Buenos Aires (Cultural Agenda of the City of Buenos Aires) every Thursday and the monthly supplement Gestión Sustentable (Sustainable Management), a space to think about and divulge the social and environmental responsibility actions carried out by corporations and organizations of civil society.

After thirteen years of existence and with an average daily circulation of 40,000 copies, Olé, the first and only Argentine sports newspaper, continues to consolidate its market positioning. It is the fourth largest newspaper in Buenos Aires in terms of circulation. Since its inception, it has revolutionized reading habits and managed to attract not only sports fans, but also a new

generation of young readers, offering advertisers an opportunity to reach a specific market. In addition to launching promotions and organizing tournaments and exhibition games, during 2012, Olé published the Guide to the Clausura Tournament 2012 and the Guide to the Apertura Tournament 2012. After River Plate’s return to the first division tournament, Olé published the magazine “¡Volvimos!”, which covered the soccer club’s path through the National B category and its return to the first division. In December, it published a collectible photographic work entitled “Los mejores momentos de 2012” (The Best of 2012). In April, the National Basketball League’s MVP award ceremony was held again, with the cooperation of the Argentine Association of Basketball Clubs.

In 2011, Clarín launched MUY, a dynamic, visually designed and entertaining newspaper, which features news in addition to regional pages and sports and show business sections. With a “TV-format” design, the newspaper summarizes the most resounding police cases and breaking news on soccer clubs and celebrities. During 2012, the newspaper MUY has continued to offer

promotions, optional books + music CDs and free collectibles. Through these actions, the editorial offering and the free special supplements; the newspaper reached an average of 20,000 copies sold per issue.

Magazines

AGEA also continued to build upon the achievements attained by the cultural magazine Ñ, reaching average sales of 32,000 copies per issue. During the year, several initiatives were carried out, aimed at engaging readers through the launching of collectible products, the creation and sponsorship of forums comprising different cultural issues and involvement in and sponsorship of major cultural events. “Los mejores cuentos de la literatura universal”, “Grandes maestros del blues” and “100 Museos imperdibles de Argentina” are among the most relevant optional and collectible products. Seven special editions were published in 2012.

Revista Pymes has continued to consolidate its growth. In June, the magazine was fully redesigned changing its size and paper to meet the market needs. The first edition of the new format included a DVD entitled “Outstanding interviews with outstanding entrepreneurs”. In October, Revista Pymes launched the optional product “Empresas familiares” (Family Businesses).

In 2012, the Company continued to publish the magazine Genios. With children and school in mind, this magazine was created with the aim of integrating content for children, parents, school and society, combining education with entertainment. Since it was launched in March 1998, it has led the children’s magazine segment. Its editorial offering is always updated at the beginning of each academic year, presenting new sections, updated school materials and collectible books prepared by experts. During 2012, Genios consolidated its web site genios.com.ar, and launched the magazine “Edición de Oro”, together with the Back to School supplement. The editorial product was comprised by Genios magazine, plus “Guía Escolar” and the collectible product “Cómo escribir ¡Muy Bien!”. During the year, it also published other collectibles, such as, “Curso Multimedia de Inglés de la BBC” and “Juegos de tablero de Cartoon Network”.





Revista Jardín de Genios is a monthly publication aimed not only at pre-school children and those attending the first years of primary school, but also at parents and teachers and other adults who deal with children within this age group (3 to 6 years). The main issues and products launched during the period include: the "Disney Junior" collection; the magazine "Edición de Oro", with a backpack for kindergarten; and the optional product "Quiero Saber". In March, Jardín de Genios also launched a new product called "Mis Primeros Pasos" -a book with hands-on and learning activities to help kids in their first learning steps at school, and to learn the numbers and how to read, write, cut and paste. "Mis Primeros Pasos" is a monthly publication that replaces every other issue of Jardín de Genios, published every fifteen days.

During 2012, "Tiki Tiki", a magazine aimed at children aged 7 through 14, continued to strengthen its position. During 2012, Tiki Tiki's Facebook fan page has become an open channel to communicate with and promote content among readers. In addition to special issues that accompany the magazine, Tiki Tiki also published Tikipedia, the first soccer encyclopedia, and the collection Top Siglo XXI "De lo nuevo, lo mejor".

Revista ELLE -a high-end magazine for women mostly focused on fashion, beauty and news- reaffirmed its leadership in the high-end advertisers segment. In 2012, its circulation reached a monthly average of 30,000 copies. In May and October, the company also published the magazine Elle Decoración.

The bi-monthly magazine Clarín Rural Revista continued to strengthen its position as a management tool for the productive sector with all the solutions and technologies aimed at agricultural businesses. Also in 2012 the company continued to publish the monthly magazine-catalogue, Shop & Co, which includes discount coupons on important brands.

Tinta Fresca

Founded in 2004, Tinta Fresca is an Argentine publishing company focused on textbook publishing for all stages of the Argentine education system. Tinta Fresca seeks to place books at the heart of the teaching and learning processes and have teachers and students use them as an effective and updated learning tool. The company has been growing in many aspects over these years. In the editorial area, as a result of leveraging lessons learned, it has managed to expand its exclusive and original focus on textbooks to a considerably diverse editorial offering.

With more than 290 titles, in addition to several textbook series for all school stages, including elementary and secondary education, its editorial offering is currently comprised by a variety of activity books for all levels. Said offering has been enriched with sourcebooks (dictionaries, encyclopedias and grammar books) and an interesting catalogue of children and youth literature.

In 2012, Tinta Fresca continued to improve its market position. Among many other value-added projects, it strengthened its editorial offering through the launch of the series "Dame la Palabra 1, 2 y 3"; "Atrapalettras"; "Matemática en todas partes 4, 5 y 6" and "Saberes en red de Ciencias Sociales, Ciencias Naturales y Prácticas del Lenguaje 4, 5 y 6". The nine books that comprise this series have several special sections that include computer activities. Tinta Fresca continued to produce books series by launching "El gran libro de la práctica docente" and "Más actividades", seeking to offer additional class-room material for teachers. In terms of lexicography, our encyclopedia base was enlarged during 2010 with the publication of "Enciclopedia Mundo Actual", a book of 2,520 pages and 18 volumes that Diario Clarín has been publishing since 2011.

As an outstanding and special contribution to society, the Company made available at Clarin.com a digital and free version of "Diccionario integral del español de la Argentina", released in April 2011. Users may easily check the full educational and cultural quality content of the dictionary. As a result of the production of collectible materials, newsstands and supermarkets have again been intensively used as sales channels for dictionaries and literature. This substantially contributes to product and content access.



Artes Gráficas Rioplatense

AGR meets certain special printing needs of Clarín and Olé (magazines, optional and collectible products, among others), and also publishes large volumes of graphic material for third parties. It is the leading printing services company in Argentina.

In 2012, AGR retained its leading position in the sector with net sales of Ps.233 million and more than 12.5 million units sold in the local and foreign market. The company continued to exploit one of its main strengths: its participation in the entire value chain of the printing industry, which enables it to offer comprehensive customer service, including drafting, prepress, variable printing, offset printing, finishing and distribution.

In addition to the progress made in improvement and control management of its production processes and in order to take care of the environment, AGR installed a new catalytic post-burner for the treatment of gas effluents derived from the rotary press furnaces. During

this period, AGR successfully completed the implementation of ISO 14000, an internationally accepted standard that sets forth how to establish an effective Environmental Management System (EMS) to achieve a balance between maintaining profitability and reducing the environmental impact. In addition, AGR installed a vacuum system to remove dust from the trim size system ducts and reduce air-suspended particles.

In May 2000, AGR entered into an agreement with the Techint Group, acquiring 50% of Impripost Tecnologías S.A. ("Impripost"). Impripost is mainly engaged in the overall production and printing of invoices, advertising brochures, forms, labels and cards. It also provides envelope-stuffing services for mass mailing.

In 2011, the Company acquired an interest in the capital stock of Cúspide Libros S.A. through AGR. Through this acquisition, it launched Librocit.com, the online bookstore of Grupo Clarín, in partnership with the retail bookstore

chain Cúspide. The bookstore features a broad and assorted catalogue and an advanced search engine. The site offers several payment methods and payment against delivery.

UNIR S.A. ("Unir") is a company engaged in wholesale mail reception, classification, transportation, distribution and delivery services. As from August 25, 2008, AGEA holds a 93.41% direct controlling interest in Unir. During 2012, Unir's total sales increased by 29%, with revenues of Ps.78.01 million as of year-end. In December 2012, AGEA had its Quality Management System recertified under ISO 9001.

CIMECO

CIMECO was organized in 1997 with the aim of acquiring equity interests in Argentine and foreign newspapers, seeking to preserve the regional journalism industry, blending experience, synergy and economies of scale, without altering its editorial principles. CIMECO holds a majority interest in two of the three largest regional newspapers in Argentina: La Voz del Interior (Córdoba) and Los Andes (Mendoza).

Los Andes newspaper has been reporting Mendoza's news since 1882. In that year, the Calle family founded one of the oldest journalistic companies in the country. Los Andes is a benchmark brand in the market. In 2012, the newspaper received the Mercurio award granted by the Argentine Marketing Association, in recognition for its commitment to building loyalty among readers. All the newspaper's actions were focused on driving the growth of the online version, positioning its loyalty program Los Andes Pass, and boosting the sale of optional products. Los Andes newspaper actively participated in all major provincial events and has renewed its agreement with Mendoza's Sports Alliance to be the region's sports news provider. The program Medios en la educación (The Media and Education) reached its 25th anniversary working with the newspaper at school, and closed the year with the contest "The Dearest Teacher". In addition, Los Andes has maintained its strong commitment to the improvement of internal control processes and guidelines, while introducing improvements to products and services for customers.

La Voz del Interior S.A. has again maintained its leadership position in the printed press and its position as an information and entertainment



Ferias y Exposiciones Argentinas

digital benchmark in the central region of the country. Its two printed newspapers, La Voz del Interior and Día a Día, have continued to maintain a 59.4% market share in the province of Córdoba. In addition to this, the sectional directories and the sustained growth in the distribution of third party's and in-house editorial products have contributed to gain more contracts with clients.

In terms of advertising, La Voz del Interior S.A.'s products capture 39.7% of the investment in large media, based on the multiple options offered by its print and electronic media. In this last regard, its web sites position the newspaper as a leader in unique visits and page views in the provinces of Argentina.

Papel Prensa

Papel Prensa is the first producer of newsprint that is wholly owned by Argentine capital. It began its operations in 1978 and is currently the largest Argentine producer of newsprint, with an annual production capacity of approximately 170,000 tons. As of December 31, 2011, the shareholders of Papel Prensa were AGEA (37%), CIMECO (12%), S.A. La Nación (22.5%), the Argentine federal government (27.5%), and other minor investors (1%).

Papel Prensa has implemented production policies based on the procurement of strategic inputs without contributing to the depletion of natural resources. To this end, the paper mill recovers raw materials from the recycling of returned newspapers, instead of using virgin fiber.

Since 2007, Ferias y Exposiciones Argentinas has been mainly engaged in the organization of Caminos y Sabores, an exhibition intended to foster Argentina's gastronomy and handicrafts and promoting the region's major tourist destinations. During 2012, Ferias y Exposiciones Argentinas held exclusive events for users and owners of agricultural machinery in Caminos y Sabores, as well as in Admite.

Throughout its eight editions, Caminos y Sabores has become one of the fastest growing fairs, while boosting the development of all of its key participants: typical food producers, craftsmen and representatives of tourist destinations. In 2012, the exhibition was held from July 6-9 and attracted over one million visitors who enjoyed walking through the market, and attending cooking demonstrations, speeches and art shows.

Admite was held in 4 editions -Arroz (Rice), Gestión (Management), Agrícola (Agriculture) and Forrajero (Fodder)- with several courses led by prestigious instructors from the agricultural sector and training on technology and machinery.

In 2007, AGEA entered into an agreement with S.A. La Nación for the organization of Expoagro, a new agro-industrial fair, improving the results that had been obtained until then by Feriagro, and achieving a record-high number of exhibitors. In 2012, the exhibition was held in March in the city of Junín, province of Buenos Aires. It was a success and received more than 100,000 visitors.



BROADCASTING AND PROGRAMMING





Grupo Clarín is also the leading company in the audiovisual broadcasting and programming segment. Through Artear, it holds the license to broadcast El Trece, one of the two largest broadcast television channels in Argentina, and segment leader in terms of advertising share and prime-time audience share. It also has a presence in broadcast television stations in Córdoba (Telecor), Bahía Blanca (Telba), Bariloche (Bariloche TV), and Río Negro (Radio Televisión Río Negro). Grupo Clarín also produces and sells some of the most popular cable television signals.

Its audiovisual broadcasting and programming array includes agreements and equity interests in the main television and film producers, such as

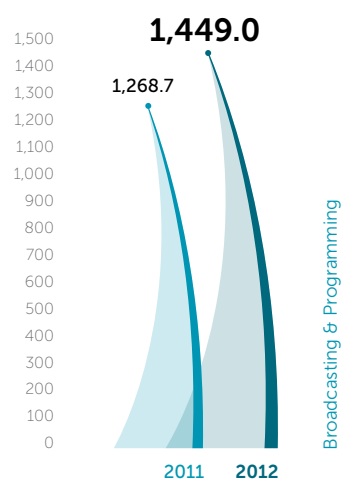
Pol-Ka Producciones, Ideas del Sur and Patagonik Film Group. Grupo Clarín also owns prominent radio stations, such as Mitre AM 790, La 100 (FM 99.9), both in Buenos Aires, and, more recently, Mitre AM 810 in the province of Córdoba.

Grupo Clarín also has a strong stake in sports commercialization and broadcasting rights, mainly soccer and motor racing, directly and through joint ventures.

Out of Grupo Clarín's total sales in 2012, the broadcasting and programming segment accounted for Ps.1,449 million, taking into account intersegment sales.

NET SALES

(In millions of Ps.)

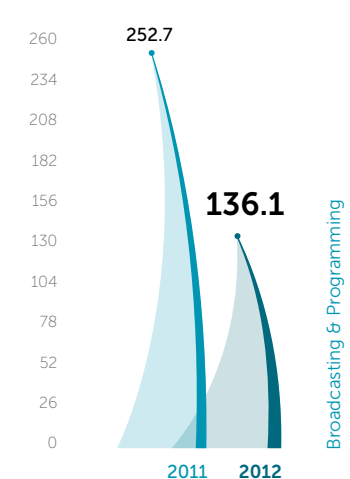


YoY

14.2%

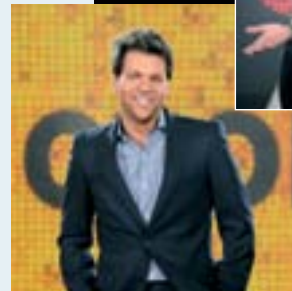
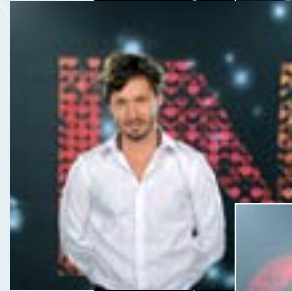
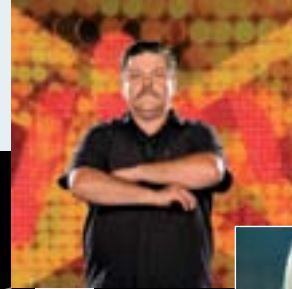
ADJUSTED EBITDA

(In millions of Ps.)



YoY

(46.2%)



ARTEAR

Amidst a scenario marked by industry challenges and strong competition, Artear was able to achieve its goals in 2012. Its share of the traditional advertising market of broadcast television reached 29.4%. 2012 has had the highest audience concentration in recent years for the leading signals, with Telefe and El Trece achieving a combined 64%. El Trece ranked second in the broadcast TV audience rating with 9.5 points from 12 pm to 12 am, Mondays through Sundays. Its professionalism, artistic quality, innovative proposals and technological developments continue to distinguish it as one of the most prominent signals in the market.

In terms of programming, El Trece combined fiction, news and entertainment embracing a varied offering. "Show Match", "Soñando por cantar", "Los Únicos", "Tiempos Compulsivos" and "Condicionados" led audience ratings. "Periodismo para Todos" -a program hosted by Jorge Lanata- is a highlight in terms of journalistic and news programs. Furthermore, "Arriba Argentinos" continued to consolidate its morning audience rating. El Trece's news programs -"Noticiero Trece", "Telenoche" and "En Síntesis"- further validated their already existing recognition and credibility with audience ratings that led their respective time slots.

With respect to cable television channels, TN achieved the highest audience share throughout the year across all time slots. On several occasions, it outperformed broadcast stations. Several programs particularly stood out, such as "El Juego Limpio", "Palabras más, Palabras menos", "Código Político", "Desde el Llano", "Argentina para Armar", "Otro tema", "A Dos Voces" and "TN Central".

Artear further strengthened its TV slots, seeking to offer diverse options in terms of information and entertainment. The Spanish language music channel "Quiero Música en mi Idioma" was quick to lead audience ratings in the music genre. "Volver" continued to offer the best of classic and vintage Argentine films and television shows and reaffirmed its role as a 100% national channel that preserves our history with the highest technology. Magazine and Metro, general interest cable channels, continued to develop their programming criteria through thematic modules and standardized broadcasting. Magazine was the signal with the highest audience in the variety category. El Trece Satelital, the Buenos Aires signal of El Trece, continued to focus on local productions and on including a significant number of in-house national productions in its programming.

Operating Statistics - BROADCASTING AND PROGRAMMING

	2012	2011	YoY
Advertising Share % ⁽¹⁾	36.6%	36.6%	0.1%
Audience Share % ⁽²⁾			
Prime Time	35.9%	42.2%	(15.1%)
Total Time	29.4%	33.0%	(10.9%)

(1) Company estimate, over ad spend in Ps. In broadcast TV for AMBA region.

(2) Share of broadcast TV audience according to IBOPE for AMBA. PrimeTime is defined as Monday through Friday from 8 pm to 12 am. Total Time is defined as Monday through Sunday from 12 pm to 12 am.





During 2012, more investments were made in the development of Artear's web sites. Hours of information, network entertainment, favorite programs and instant news. "tn.com.ar" ranked among the four top online news sites and as a leader in social networks. "eltrecetv.com" has become Argentina's most visited broadcast TV web site featuring the most outstanding programs, exclusive coverage, back-stage, contests and live interviews. During the year, it had more than 1.7 million users, in addition to 400,000 followers on Facebook and over 535,000 followers on Twitter. Artear has also reinforced the development of exclusive applications and content for the most widely used mobile devices.

Additionally in the production section, the most prominent show business and general interest events were broadcast, such as the concerts of Madonna, Lady Gaga, Mamma Mía, Liza Minelli, Luis Miguel, Axel, Hugh Laurie, Carlos Baute and Reik, as well as other shows and events, such as, Cirque du Soleil, Batman Live, Piñón Fijo es mi nombre, La cabra, Quilmes Rock, Pepsi Music and Personal Fest; and a new edition of the traditional UNICEF fund-raising event "Un Sol para los chicos" at the Luna Park stadium.

During 2012, Artear sought to strengthen its position as technological market leader, after the successful launch of the signals El Trece HD and TN HD in 2011, when it became the first broadcast signal to produce all of its content in high definition. This success is the result of intensive investment in equipment and professional training. El Trece was the first signal to test a high-definition system on September 25, 1998 and has continued to use it uninterruptedly from 2000 through 2009.

During the period, investments were made to strengthen the implemented workflow processes, as well as to move forward with pending issues. Additionally, a building project was carried out to increase the newsroom size, which became a "spectacular newsroom", as evidenced every day

by the images of the news programs broadcast by El Trece and TN. The archive capacity enlargement for the digital system implemented the previous year is one of the most significant acquisitions.

Artear continued to produce fictional content for TV series and motion pictures through Pol-Ka, Ideas del Sur and Patagonik Film Group.

In the case of Pol-Ka, "Lobo" and "Los únicos, segunda temporada" - the two series scheduled for the beginning of the year - failed to deliver the expected results. In September, Artear started again to broadcast programs in "series" format with "Sos mi hombre", which achieved a high audience rating. "Condicionados" and "Tiempos compulsivos", both of them in the Company's hallmark category of "single" programs, were broadcast during the year with considerably good acceptance from the public and the critics.

Also during 2012, Artear completed the production of "Violetta" for Disney and, by the end of the year, started to produce the second season. The program has become very popular among children and youth, with high audience levels both in cable and broadcast TV in Argentina and abroad. Even though 2012 was a challenging year, the 2013 outlook is quite promising since "Sos mi hombre" will continue to be broadcast on El Trece, and "Solamente vos" has a large audience, in spite of the typically low audience shares registered in summer.

As for Ideas del Sur, during 2012, the company exceeded the number of production hours and increased advertising sales compared to the previous year. In addition, all of its products achieved good audience levels.

The Company also made significant efforts towards developing activities related to the commercialization, organization and broadcast of sports events through TyC Sports, mainly football and motor racing.



RADIO MITRE

In 2012, AM Mitre 790 reaffirmed its track record and consolidated its second place in the ranking of audience share during the entire year, reaching an audience share of 23 points.

The radio talk show “Primera Mañana”, hosted by Nelson Castro with a group of prestigious columnists, stood out among Radio Mitre’s programming. “Hola Chiche”, hosted by Chiche Gelblung, continued to renew the morning slot with a lineup that combines journalism, general news coverage and enjoyable and smart humor.

In the afternoon slot, Radio Mitre consolidated its strong journalistic offering with the incorporation of a new program. In February 2012, Radio Mitre launched “Lanata sin filtro”, a program hosted by Jorge Lanata with the participation of Luciana Geuna, Osvaldo Bazán, Nicolas Wiñazki and Adriana Verón that set the agenda with high-impact research and journalistic views. “El Club de la tarde”, hosted by Ernesto Tenenbaum, “La Otra Pata”, hosted by Marcelo Zlotogwiazda, and

“Lo que queda del día”, hosted by Horacio Caride were also part of the programming.

La 100 consolidates its leadership in the FM radio segment, with an entertaining, smart and innovative proposal based on programs led by famous artists and good music. By year-end, La 100 again led the audience share with growth in almost all of its programs. In 2012, the shows “El Show de la Noticia”, hosted by Roberto Pettinato in his ninth season, and “Lalo por hecho”, hosted by Lalo Mir and Maju Lozano, stood out once again. In the afternoon slot, La 100 managed to consolidate its position with “Sarasa”, hosted by Ronnie Arias, and “Atardecer de Un Día Agitado”, hosted by Sergio Lapegüe. “Ranking Yenny” hosted by Guillermo López leads the audience segment on Saturday mornings.

To further deepen its bond with listeners, La 100 continued to organize acoustic concerts and on-location broadcasts from its mobile studio, featuring highly-acclaimed national and international artists.

Finally, of remarkable note is the growth experienced by Cienradios.com.ar, a site that was conceived as an extension of the Radio Mitre brands to the web, but that now stands on its own. It entails the development of an infinite concept of the dial and is unique in Latin America. Users may choose among a wide offering of broadcast radio stations and other stations, specially designed for the Internet with segmentations of singers, bands, music from different decades, the music presented by the FM radio station hosts, folklore, tango, romantic music and other rhythms.

During 2012, the presence of Mitre AM 810 was also consolidated in the province of Córdoba as the second radio with the highest audience share. With a permanent staff in the city and its own news service, Mitre AM 810 developed comprehensive coverage of news comprising Córdoba, Argentina and the world. Its programming includes prestigious hosts, such as, Rafael Martínez, Rebeca Bortoletto and Juan Alberto Mateyko.



18:51
Todo Noticias Móvil | m.7
m.tn.com.ar/



En Vivo

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MÁS
PROCEDIMIE

DIGITAL CONTENT
AND OTHERS

DIGITAL CONTENT

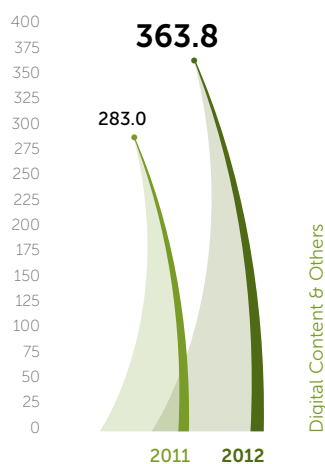
Revenues in this segment are derived from the sale of advertising on some Internet web sites and portals and the provision of administrative and corporate services by Grupo Clarín and its subsidiary GC Gestión Compartida S.A. ("GCGC") to third parties and other subsidiaries. They also include digital content production through Contenidos de Medios Digitales S.A. ("CMD").

Out of Grupo Clarín's total sales in 2012, this segment accounted for Ps.364 million, taking into consideration intersegment sales.

Grupo Clarín is the leading producer of digital content. Through CMD, the Company developed the broadest network of portals and digital content in Argentina, covering news, entertainment, sports, classified advertisements, direct marketing, e-commerce, digital photography, video, blogs, chat rooms, music, mobile content (ringtones, SMS and games) and a browser. This network seeks to replicate on the Internet the presence and relevance of Grupo Clarín's several offline media.

NET SALES

(In millions of Ps.)

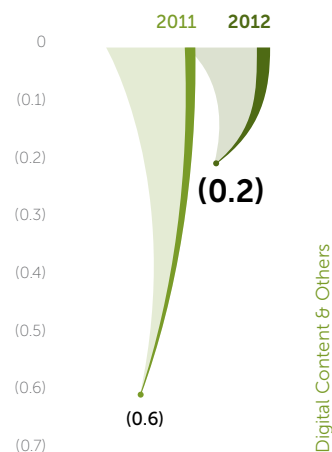


YoY

28.6%

ADJUSTED EBITDA

(In millions of Ps.)



YoY

64.7%

Given the fact that, in line with the corporate strategy, the exploitation of Clarín and Olé websites that were previously operated by Grupo Clarín was transferred to another company of the same economic group, goals have been redefined in order to strengthen the positioning of other sites, such as, Todo Noticias, Cienradios, Ciudad and EltreceTV in terms of traffic and revenues.

In addition, the Company continued to sell contextual advertising under the brand iAvisos and completed

the first year of operation in the Adnetwork business.

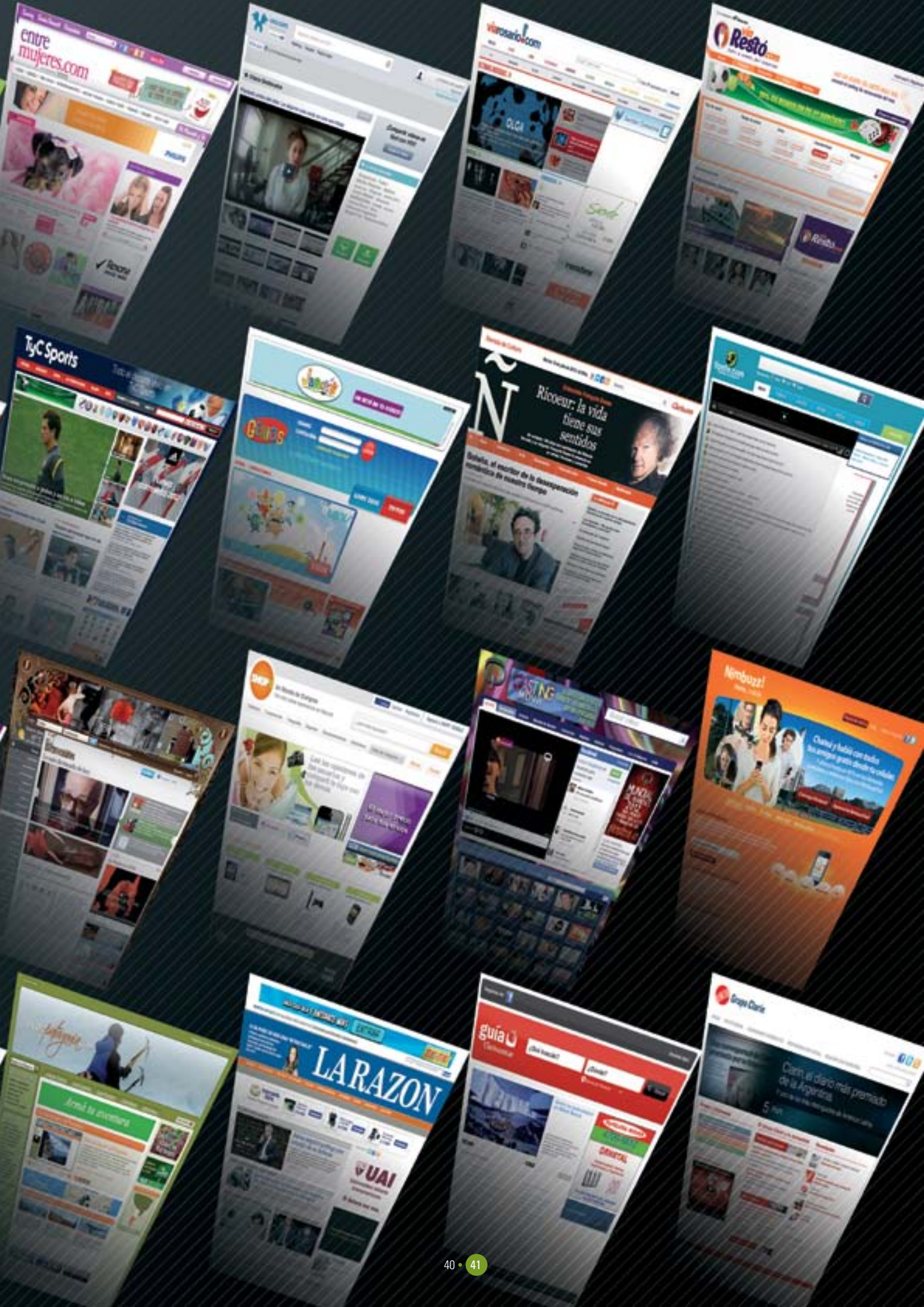
The website of Todo Noticias developed by CMD registered amazing audience share growth at year-end. By year-end, TN had 5.6 million unique users, that is, a 47% increase compared to the same month in 2011 and 36.4 million page views, which represents a 40% increase relative to the same month the previous year. Ciudad.com remained the most visited show web site in Argentina, with 5.3 million unique users in December 2012.



Operating Statistics - DIGITAL CONTENT AND OTHERS

	2012	2011	YoY
Page Views ⁽¹⁾	625.3	613.9	1.9%
Unique Visitors ⁽¹⁾	27.9	25.9	7.6%

(1) In millions. Average. Source IAB and Company Estimates.





CMD S.A. has maintained its 80% equity interest in Interpatagonia S.A., and its 51% interest in Clawi S.A. During the year 2012, Tecnología Digital (TECDIA) S.A. was created, a company in which CMD has a 95% equity interest.

Club Cupón, the online discount site that had completed the first month of the year with 23,000 coupons sold, in December exceeded 36,000 coupons. Also in 2012, the Company managed to enter the Brazilian market through Clawi S.A., by means of a strategic alliance with Grupo Abril's Recreio magazine. Thus, with the launch of a version in a different language, Mundo Gaturro became the first online entertainment world in Hispanic Latin America. During the period, Mundo Gaturro reached 6,500,000 registered users and approximately 100,000 access passes sold per month. During 2012, the Company also executed an agreement with UNICEF for the development of educational games.

Also during the period, CMD completed its second year of operations in the direct marketing segment through its brand Mr. Sale, achieving sustained growth.

Through its brand Yuisy, CMD launched Token Dancer, a thrilling eye-hand coordination game

which, by the end of 2012, had registered 370,000 downloads worldwide and is available for iPod, iPhone and iPad at Apple's Appstore. Yuisy's consolidation in the Latin-American videogame industry is attributable to the release of third party's games. The first title released under this modality was ZAP First Jump. These releases are in addition to the popular Rolling Ranch and Halloween Hunter launched in 2011.

OTHER SERVICES

Through GCGC, Grupo Clarín renders specialized-process outsourcing services to medium and large companies. The services rendered, which include payroll management and processing and implementation of related processes, as well as human resources management, are oriented to optimize quality and provide innovative management tools.

During 2012, total sales increased by 36.6% compared to the previous year. The company continues to bolster the services offered, increasingly focusing on a customer-driven approach, as well as on strengthening improvement processes.

ArgenProp
Buscainmueble
Canal 13
Clasificados
Clarín.com
Cienradios
Ciudad
Clarín Blogs
Clubcupón
Confronte

De Autos
De Motos
Entremujeres
Espectáculos
Genios
Guía de la Industria
Grupo Clarín
iEco
Imagena
Interpatagonia

La Razón
Más Oportunidades
Mundo Gaturro
Nimbuzz
Mublet
Olé
Quieromúsica
Revista Ñ
Shop1
Tangocity

Tipete
TN
TN y la Gente
Toda Pasión
T&C Sports
Ubbi
Vía Restó
Yuisy
VXV
Welcome Argentina



CORPORATE GOVERNANCE,
ORGANIZATION AND
INTERNAL CONTROL SYSTEM



Grupo Clarín's Board of Directors is responsible for the Company's management and approves its policies and overall strategies. According to the Company's By-laws, the Board has ten permanent members and ten alternate members, appointed on an annual basis at the Regular Shareholders' Meeting. The By-laws also provide for the appointment of four independent directors, two permanent members and two alternate members, appointed in accordance with the requirements of National Securities Commission ("CNV").

EXECUTIVE COMMITTEE

Day-to-day business decisions of Grupo Clarín are made by an Executive Committee formed by three members of the Board of Directors. Héctor Horacio Magnetto; José Antonio Aranda and Lucio Rafael Pagliaro.

MEMBERS OF THE BOARD OF DIRECTORS

Grupo Clarín's Board of Directors is comprised by the following members, appointed at the Annual Ordinary Shareholders' Meeting and Special Meeting per Class of Shares, held on April 26, 2012:

Héctor Horacio Magnetto	Chairman
José Antonio Aranda	Vice Chairman
Lucio Rafael Pagliaro	Director
Alejandro Alberto Urricelqui	Director
Jorge Carlos Rendo	Director
Pablo César Casey	Director
Ralph Booth II	Director
Luis María Blaquier	Director
Lorenzo Calcagno	Independent Director
Alberto César José Menzani	Independent Director

Grupo Clarín also has a Supervisory Committee comprised of 3 permanent members and 3 alternate members, who are also appointed on an annual basis at the Regular Shareholders' Meeting. The Board of Directors, through an Audit Committee, is in charge of the ongoing oversight of all matters related to control information systems and risk management, and issues an annual report on these topics. The members of the Company's Audit Committee may be nominated by any member of the Board of Directors and a majority of its members must meet the independence requirement set forth by the CNV.

AUDIT COMMITTEE

At year-end, the Audit Committee was comprised as follows:

Lorenzo Calcagno	Independent Director
Alberto César José Menzani	Independent Director
Alejandro Alberto Urricelqui	Director

SUPERVISORY COMMITTEE

Grupo Clarín's Supervisory Committee is comprised by the following members, appointed at the Annual Ordinary Shareholders' Meeting and Special Meeting per Class of Shares, held on April 26, 2012:

Raúl Antonio Morán	Independent Permanent Member
Carlos A. P. Di Candia	Independent Permanent Member
Pablo San Martín	Independent Permanent Member
Hugo Ernesto López	Independent Alternate Member
Rubén Suárez	Independent Alternate Member
Martín Guillermo Ríos	Alternate Member



Grupo Clarín organizes its activities under an executive structure comprising: External Relations Department; Corporate Finance Department; Corporate Control Department; Corporate Strategy Department; Audiovisual Content Department; Corporate Human Resources Department; Corporate Affairs Department and Digital Content Department.

The overall criteria used to appoint managers are based on the background and experience in the position and the industry, companies they have worked for, age, professional and moral aptitude, etc. The professional experience and background of the main managers are disclosed to the general public upon their appointment.

In order to identify opportunities and streamline structures and systems with the aim of improving processes and making informed decisions, Grupo Clarín sets forth several procedures and policies for the specific purpose of controlling the Company's operations. The areas responsible for the Company's internal controls, both at the Company level and at the level of its subsidiaries and affiliates, contribute to the safeguarding of shareholders' equity, the reliability of financial information and the compliance with laws and regulations.

Compensation of the members of the Board of Directors and senior management

Compensation of the members of the Board of Directors is decided at the Shareholders' Meeting after the close of each fiscal year, considering the cap established by Section 261 of Law No. 19,550 and related regulations of the CNV.

Grupo Clarín has compensation arrangements with all of its officers in executive and managerial positions, which contemplate a fixed and variable remuneration scheme. Fixed compensation is tied to the level of responsibility attached to each position and prevailing market salaries. The variable component is tied to performance during the fiscal year based on the objectives set at the beginning of the year. Grupo Clarín does not have any stock option plans in place for its personnel.

As mentioned in Note 13 to the parent company only Financial Statements, on January 1, 2008 Grupo Clarín began to implement a Long-term Savings Plan ("PALP") for certain executives of Grupo Clarín and its subsidiaries. Executives who adhere to such plan will contribute regularly a portion of their salary to a fund that will allow them to increase their income at the retirement age. Furthermore, each company matches the sum contributed by such executives. This matching contribution will be added to the fund raised by the employees. Under certain conditions, employees may access such fund upon retirement or upon termination of their jobs with Grupo Clarín.

STOCK INFORMATION AND SHAREHOLDER STRUCTURE

Grupo Clarín is listed in the Buenos Aires Stock Exchange where it trades its shares, and in the London Stock Exchanges, where it trades its shares in the form of GDS.

London Stock Exchange (LSE) - Ticker:	GCLA
Bolsa de Comercio de Buenos Aires (BCBA) - Ticker:	GCLA
GCLA (BCBA) Price per share, December 31, 2012	PS.8.50
GCLA (LSE) Price per GDS, December 31, 2012	US\$2.50
Total Shares	287,418,584
Total GDS	143,709,292

EQUITY PARTICIPATION AT IPO¹

%



SHAREHOLDER STRUCTURE - Number of Shares⁴

Controlling Shareholders	204,030,227
GS Unidos, LLC (RB)	25,156,869
Free Float	58,231,488
International	(46%) 27,045,754
Local	(54%) 31,185,734
TOTAL	287,418,584

¹ Since the IPO, our shareholders and management acquired approximately 7.8 MM shares (13.7% of the free float).

² Controlling Shareholders: Ernestina H. de Noble, Héctor H. Magnetto, José Antonio Aranda and Lucio Rafael Pagliaro.

³ GS Unidos, LLC, a company under the indirect control of Mr. Ralph Booth (Director).

⁴ As of March 8, 2013.

Annual Shareholders' Meeting

Grupo Clarín held its Annual Ordinary Shareholders' Meeting on April 26, 2012. On this occasion, the shareholders reviewed and approved the accounting records for fiscal year No. 13 ended on December 31, 2011 and the performance and compensation of the members of the Board of Directors, the Supervisory Committee and the Audit Committee. Among other things, they reelected the permanent members and alternate members of the Board of Directors and said committees for the year 2012. The Company distributed dividends for an aggregate amount of Ps.135 million, representing 46.97% of its nominal capital and Ps.0.4697 per share.

Dividend Policy

Grupo Clarín does not have a formal dividend policy governing the amount and payment of dividends or other distributions. According to its By-laws and the Argentine Corporate Law, Grupo Clarín may lawfully pay and make declarations of dividends only out of the retained earnings stated in the Company's annual Financial Statements prepared in accordance with Argentine GAAP and CNV regulations and approved at the Annual Ordinary Shareholders' Meeting. In such case, dividends must be paid on a pro rata basis to all holders of shares of common stock as of the relevant record date.

Code of Corporate Governance

In addition to the aforementioned and in conformity with the CNV's decisions concerning the filing of the report on compliance with the Code of Corporate Governance (Resolution No. 606/12), Grupo Clarín prepared the report for the year under analysis, which is available in the Company's Website.



GRUPO CLARÍN AND
ITS CORPORATE
SOCIAL RESPONSIBILITY

OUR COMMITMENT

Since its foundation, Grupo Clarín has been aware of its social responsibility as a company and as a member of the media, and has strived to assume such responsibility abiding by the laws, honoring its active and sustained social and community involvement and, especially, fulfilling its duty to inform with honesty and accuracy.

Commitment to society is an inherent and essential part of Grupo Clarín's vision and mission statement. The Company attaches special importance to the relationship with its different audiences, which acknowledge and validate its activities each day and, over time, have established multiple communication and interaction channels with Clarín's stakeholders.

From the standpoint of its audiences, readers and society in general, Grupo Clarín's media and journalists work day after day towards respecting and consolidating the people's right to information; combining high credibility with a comprehensive journalistic and entertainment offering based on a deep knowledge of the audience.

Transparency, standards and guidelines

Grupo Clarín seeks to intensify the values and principles that guide the Company's daily work, particularly those concerning labor, sustainable development, and human rights.

The Company's observance to those principles is also outlined in the Corporate Code of Ethics and also in the "Guía para la Acción", a document which proposes models for management, organization and roles, while outlining Grupo Clarín's general policies and procedures concerning labor, the environment and human rights.

During 2012, the Company developed its Corporate Social Responsibility and Sustainability Policy, aiming to extend best practices and establish common goals within the organization and its

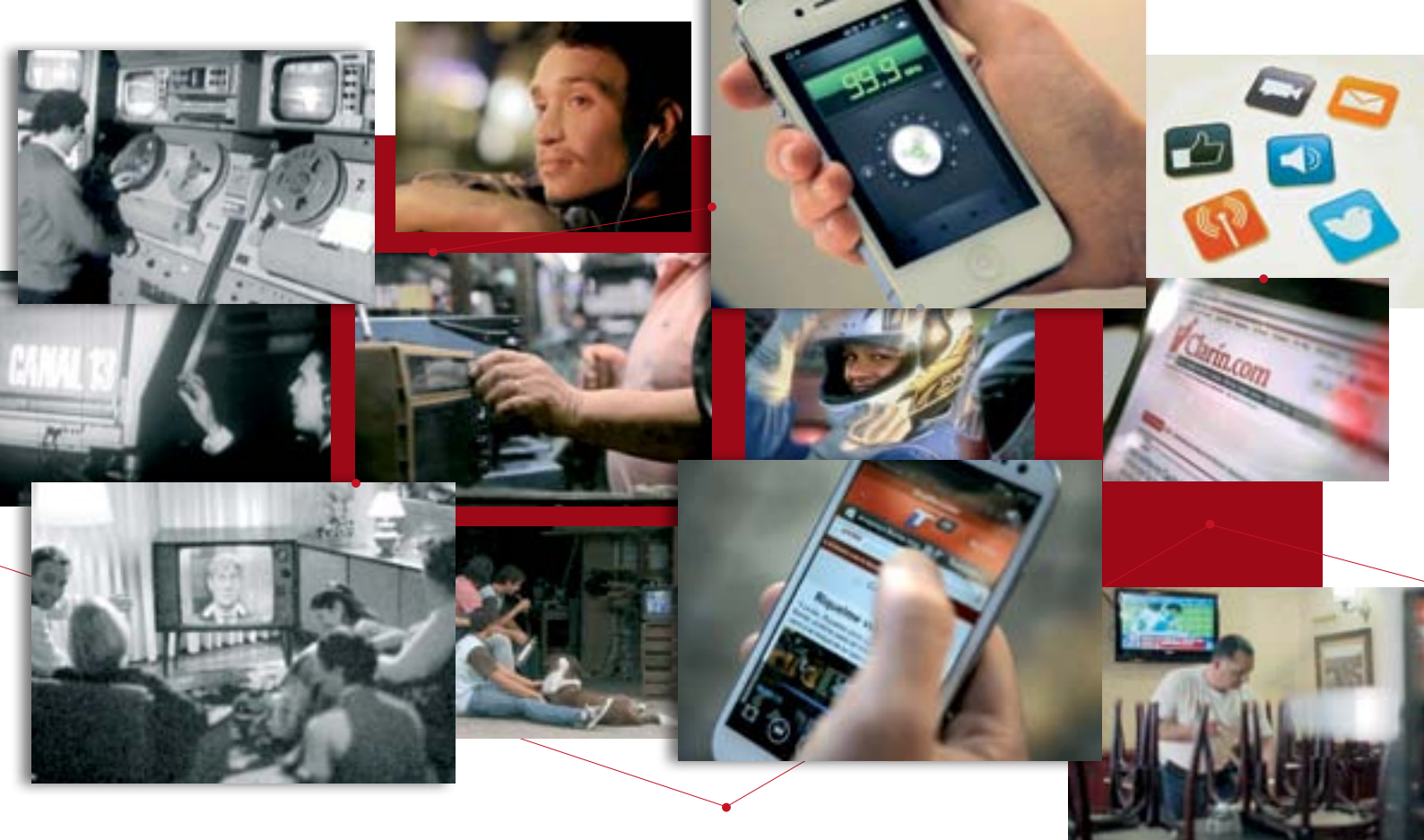
subsidiaries. It also encompasses and promotes the adoption of specific industry related standards among its subsidiaries.

Also in this period, the Company started to prepare its Financial Statements under International Financial Reporting Standard (IFRS) changing the manner in which some figures are presented. This, added to an internal materiality assessment on sustainability issues performed in 2012, resulted in the deconsolidation of some subsidiaries in which the Company holds a minority stake such as Trisa, Impropost, Papel Prensa and Ideas del Sur. Therefore, comparative analysis of some figures in this section with those from previous years cannot be properly stated.

Since 2004, the Company commits to the Global Compact proposed by the United Nations, seeking to systematically embody the 10 principles that serve as a guideline for a sustainable management.

Grupo Clarín also participates in several groups and organizations, which gather other Argentine, Latin-American and global media players and stakeholders to share experiences, identify best practices, and foster cooperation on the specific issues that media companies address as part of their social responsibility strategies. During 2012, through the Noble Foundation, it renewed its presence in the "Grupo de Fundaciones y Empresas", a space to share knowledge and set standards in the field of strategic social investment.

During the period of 2009-2012, Grupo Clarín committed its participation and contributed to the multi-stakeholder development of the Media Sector Supplement for the Global Reporting Initiative. The GRI guidelines published in may 2012 act as a reference for an extensive process, currently underway at the Company, to further consolidate, identify and report relevant information regarding environmental and social impacts, while establishing new goals to strengthen its related initiatives and strategy.



Independence and Transparency

Freedom of expression and transparency are indispensable values to the Company and its professionals. Both principles are particularly relevant in areas linked to news services. At Grupo Clarín, each company commits to the quality, rigor and transparency of its information and content. News coverage and programs aim to be plural and fair, reflecting the journalists' efforts to inform on facts and events in a balanced manner, while allowing opinion regarding the parties involved.

Style guides, ethics manuals, news coverage guidelines -including some for kidnapping and hostage situations- and several other self-regulations and commitments guide the different activities of news and entertainment oriented companies. This does not mean that every issue, especially regarding content and editorial view, is addressed as expected. For that reason Grupo Clarín's media companies are continuously designing new means to engage with its readers and audiences.

As the previous years, 2012 proved to be a specially challenging year for the press and freedom of expression in Argentina. The Company supported numerous initiatives to create awareness on the subject and demonstrated its sustained commitment to defending and promoting it.

Independence is a value. For journalists and the media, independence is the solid foundation of their work, which enables them to search for the truth, without any conditioning.

Independence is at the core of Grupo Clarín's business, as a guarantee of freedom for its media to fulfill their journalistic role in Argentine democracy. It is at the same time an assumed responsibility, a way of exercising and guaranteeing rights, an outlook on sustainability from the company, a daily commitment.

Independence requires transparency. That is why the information about Grupo Clarín, its media, shareholders, activities, revenues and investments is public and is readily available in its website, in the Argentine Securities Commission and in multiple and several communication channels with the public, audiences and readers. This is not the case with the majority of the other Argentine media, which does not make available to the public their financial statements, the sources of their income, and many times even fail to reveal who their owners are.

Independence from the Government

One of the media's sources of income is advertising. Presently, most media in Argentina are either state-owned or a significant portion of their income directly depends on the increasing government advertising expenditure. Those are adverse conditions that can often pose a threat for journalistic independence, freedom of speech, access to information and plurality of voices, all vital conditions for a sustainable and democratic society.

Grupo Clarín receives virtually no funds for official advertising from the National Government and very little from Provincial Governments. So much so, that in 2012 official advertising from all jurisdictions accounted for only 1% of its revenues. Historically, given the scale and diversity of Grupo Clarín's revenues, the weight of those funds has always been kept at very low figures, in order to guarantee the freedom of its media and journalists to report without any conditioning.

Business Independence

Grupo Clarín pays special attention to guaranteeing its economic independence by pursuing a sustainable business model with diversified sources of income, where advertising is only one of the ways of sustaining its businesses. Among its activities, it also publishes and sells editorial products, produces and sells programming and



cable television and Internet services. Additionally, it makes available to the public information about its revenue structure on a quarterly basis.

With respect to its advertisers, the Group's media have business policies that promote diversity and multiplicity of advertising investment sources. Therefore, none of the advertisers that advertise their products in Grupo Clarín's media accounts, individually, for more than 1% of the Group's revenues, another way of guaranteeing its independence and freedom to report.

Media independence also needs responsible relations between journalism and the company's own business interests. Grupo Clarín's media have policies aimed at separating business functions from editorial functions. Particular emphasis is placed on the fact that journalists must not be in charge of or related to advertising sales, in order to allow for the free exercise of their profession, free from any risk and conditioning. Also in each of its media a clear distinction is made between advertising spaces and editorial spaces.

As mentioned previously, the Company also has a Code of Ethics applicable to its subsidiaries and employees. It establishes standards of conduct which regulate and prevent situations that may affect the free fulfillment of their duties and transparency of their activities.

PEOPLE'S VOICES

Media sustainability depends profoundly on readers and audiences aware of their rights and ready to demand quality journalistic and entertainment contents, and also on media ready to listen to them.

Grupo Clarín's media promote interaction with their publics and audiences, creating spaces and tools aimed at listening and fostering communication. Opinions, critics, tastes, suggestions and comments are received through multiple open spaces for contents created by people for the free expression of society, embracing its diversity and plurality.

At a Corporate level, amidst the challenging environment created by the ongoing harassment by the government since 2008, Grupo Clarín also offers multiple and specific communication channels, such as web based tools and social networks, to share the latest updates with accuracy and transparency.

The proliferation of new media, Internet based networks and the web 2.0 phenomenon, started a revolution in journalism and in terms of how people consume news and other types of content. This requires a serious assessment on how to face the challenges of the digital era, adapting the Company's business models to satisfy Grupo Clarín's audiences, and at the same time addressing sustainability while maintaining the Company's leadership position.

Grupo Clarín's media companies have a long history of audiences' and readers' engagement. The ability to anticipate trends together with a profound knowledge of media consumers and the ability to interpret their needs and meet their demands, explain the Company's sustained leadership and favored place amongst consumers' preferences.

Clarín's newspaper segments such as "El juicio final", "Cartas al país" and daily readers' surveys, all traditional means of engaging readers, are complemented by more recent initiatives to accompany peoples' needs to participate in the news process, such as the introduction of readers comments and social media strategies within the online news platforms.

Over the last few years, the Company has launched a growing number of new blogs, and generated greater interaction not only with journalists, but also between our users. Interactivity opens space for informative content deriving from readers, listeners and web users. 'TN y la gente' is a web-based tool developed by the Company's news channel, where audiences send photos or video footage captured from personal and mobile cameras, as another way of introducing citizen journalism and increasing end-user participation in our media.

The Company also pays special attention to giving voice to small or underserved communities and providing for the development of local content at a regional level. Cablevisión and Artear are working together to gradually renew local TV channels and newscasts in several cities in Argentina. The program takes into consideration access to local information and culture, while providing them with state-of-the-art technology and training.

On the other hand, for almost 30 years now Grupo Clarín, through the Noble Foundation, has been offering free media literacy tools aimed at promoting a critical view on journalism and empowering at the same time people in their role of consumers and also creators of contents.



Social and Sustainability Coverage

To better assess the influence the media can have on different audiences, Grupo Clarín establishes goals to ensure the quality and pluralism of its content. Grupo Clarín's newspapers and television newscasts have a long and highly praised record in investigative reporting, and provide comprehensive news coverage and insightful pieces on relevant social and environmental issues. Reflecting the diversity of society through its news coverage and entertainment content lies in the core of its unique capacity to engage with audiences and readers.

Special supplements, expert and academic voices and editorials, onsite coverage and skilled journalists and infographics complete an extensive offering on topics that vary from health, consumption and development to science, education and conservation. Weekly TV Programs such as 'TN Ecología' and 'TN Ciencia', in Todo Noticias, Grupo Clarín's 24 hour news channel and the leading cable channel in Argentina, have become leaders in their fields.

During 2012, the Company's media paid special attention to issues related to climate change and the environment.

Radio Mitre, its main broadcasting radio station, combined 24 hour coverage of these issues and continued to air "Planeta Mitre, Compromiso Verde" a series of daily brief radio programs by an environment specialized journalist aimed at raising awareness on environmental issues, recycling and what each of us can do to make the world a better place.

Since 2011, the newspaper La Razón has been publishing the monthly supplement Gestión Sustentable (Sustainable Management) to make readers think about the most prominent issues of the sustainable development global agenda and to report on social and environmental responsibility actions carried out by companies and organizations of the civil society. During the year, the supplement received the prestigious award Gota en el Mar, in the category Environment and Sustainability.

Among the most significant initiatives, the Company, in association with Vida Silvestre, Farn, Greenpeace and other 7 environmental organizations from Argentina or with active presence in the country launched a collectible named Salvemos Nuestra Tierra (Let's save our planet) published together with Diario Clarín in March, April and May of 2012. The product, pioneer in its field, sought to raise awareness on major environmental issues and their potential solutions, while offering a guide to learn



how to help the planet and activities to work at school or at home.

The Company also continued to draw attention to weblogs that create social awareness within Clarin.com. An example of this is "El Otro, el Mismo", a blog developed in association with Universidad Católica Argentina and social organizations engaged in fostering the inclusion of people with disabilities. Moreover, the "Calendario del Compromiso con la Comunidad" (Calendar of Commitment to the Community) continued to be published in Revista Viva for the seventh consecutive year.

Recognizing the importance of reflecting diversity, promoting social justice, protecting youth, encouraging minority recognition and preventing racial and gender discrimination is key in responsible content creation in the media. During the last few years, third party, academic and the company's own monitoring processes have all registered a gradual, yet sustained increase in social topics coverage.

In 2011, the NGO Periodismo Social and Austral University produced an independent report on television news coverage regarding childhood in Argentina. Telenoche, the Company's main newscast and leader in terms of audience, was identified as the one that allocated more space to news and information regarding children and youth, reaching 32.4% of their total coverage. Also, the report concluded that more than 54% of the sources referred were children and their families.

In 2012, the second edition of the report showed that the percentage related to children as sources increased to 60% and that violence as a subject decreased noticeably (16%) from 2011 to 29% of the total coverage, giving the newscast the best score among private channels. Also, the report emphasized that 41% of the coverage related to children was specifically devoted to girls, while another 47% was dedicated to boys and girls alike, reaffirming the newscast commitment to portraying gender issues.

This relates to an initiative that the Company launched in 2009 by which is breaking new ground in Argentina: an ambitious training program oriented to audiovisual journalists, that seeks to achieve excellence and raise awareness of the particular features of the main social topics in order to promote responsible coverage in the news. In its initial stages, the project involved training for journalists who work on newscasts related to Cablevisión and Artear, mainly in the interior of the country and reaching most coverage areas.

During 2012, the Company, along with communication experts and academics from the mentioned institutions, organized 6 in-house workshops for journalists, editors, cameramen and producers working in all the newscasts produced by Artear (TN and Canal Trece) in order to provide them with content-creation-related-tools and to discuss the main challenges of the different aspects of television coverage of social issues and the editorial values that guide everyday decisions. The experience was very enriching for the professionals participating in the program as well as for the University and Organization representatives.



Promoting Involvement

Still, there is much to be done. In this regard, Grupo Clarín aims to continuously enhance its role in promoting public debate, encouraging individual involvement by better and further portraying the challenges of society under social, economic and environmental aspects with a plural view.

Grupo Clarín's different media companies also endorse several initiatives promoting people's involvement in democracy and responsible citizen control of their representatives' acts and decisions.

Aware of the need to advocate for a wider respect for the principles of democracy and fundamental human and civil rights, during 2012, the Company continued to promote and create awareness, for example, on the importance of every citizen's right in the matter of access to information, and of the significance of freedom of expression.

Also the Company set out once more to promote values such as solidarity and community involvement. Through Artear, it launched yet another edition of "Abanderados de la Argentina Solidaria", an award that recognizes the otherwise silent labor of social entrepreneurs and community leaders, by divulging valuable and replicable initiatives that advance social transformation. The initiative is supported by Ashoka and a remarkable panel comprised by outstanding people from the social, academic and cultural sectors. In 2012, the award was granted to Javier Ureta, president of Cascos Verdes, an organization dedicated to the inclusion of people with disabilities in the province and the city of Buenos Aires.

In May, Genios magazine launched "Misión Positiva", its second institutional campaign that sought to promote values such as friendship, fellowship, tolerance, peace, solidarity and environmental care. The initiative included publishing a teachers' guide with games, and activities for the classroom to encourage children's involvement.

During the period, The Company renewed its partnership with Missing Children and Red Solidaria to publish photographs of missing children in La Razón newspaper and raise awareness about the role of the community in dealing with this problem. The Company also helped to broadcast the events held to remember and create awareness in relation to the anniversary of the terrorist bombing of the AMIA and of Israel Embassy.

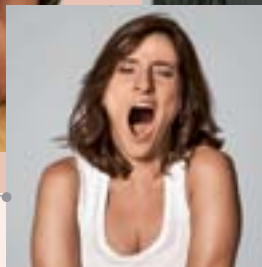
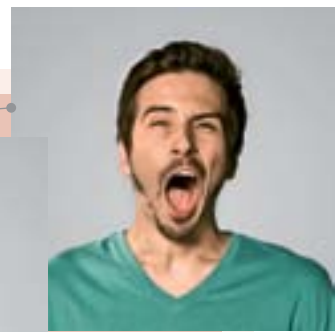
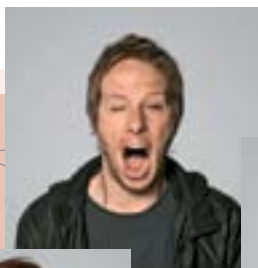
In order to promote other campaigns and collection efforts and raise awareness about the country's main social topics Grupo Clarín has donated advertising space to several NGOs. Among the most remarkable efforts in this regard were the Colecta Más por Menos, the annual Caritas collection organized by the Argentine Episcopal Conference and the annual collection of the Food Bank Network.

Grupo Clarín also provided renewed support to the traditional campaign "Un sol para los chicos", together with Artear and UNICEF. The campaign reached in 2012 its 21st edition, and raised Ps.14,309,929 for education and other social programs for children and the youth. It is one of the key sources of income for UNICEF in the country, and it also promotes the increase of individual donations which is still noticeably lower

in Argentina and Latin America compared to the US and Europe .

In order to deal strategically with this issue and seeking to bolster the impact of its investment in terms of solidarity campaigns on its media, during 2012 Grupo Clarín decided to conduct research on the limited level of individual contributions to organizations of the civil society. In partnership with AEDROS, an entity specifically engaged in fundraising in the country and with the support of a top consulting company, a nationwide research was conducted that revealed the status and the reasons for the lack of a sustained commitment with a cause in terms of individual money donations. The research findings were published in Diario Clarín and were a significant contribution to the civil society, which is dealing with increasing challenges to its sustainability as a whole.

In addition, with the support of Rapp Argentina, a campaign was designed to deal with this problem that was broadly promoted in audiovisual and electronic media, as well as in newspapers and magazines. The campaign sought to foster civic involvement through a sustained and ongoing economic commitment, as the most effective way to make profound changes in the lives of many people in need. The Company plans to measure the impact of this initiative and set goals for the continuity of this project in 2013.



Community Engagement and Social Advertising

Grupo Clarín's impact and relation with communities and individuals exceed those of its editorial coverage. Support for vulnerable communities, mentoring education projects, campaigning for disaster affected regions and different types of donations and expertise are only some examples of the many initiatives organized and fostered jointly or separately by Grupo Clarín's different media companies.

In response to civil society organizations growing communication needs and demands, Grupo Clarín launched a multiple approach program that combines spreading and raising active awareness of public and social interest topics through advertising, design and communication services for NGOs and the development of web based blogs and sites.

In terms of social advertising, during 2011, through the Noble Foundation and several of its media companies, Grupo Clarín contributed with advertising time and space to promote social, civic and environment related causes, through its own programs or within strategic alliances with renowned NGOs.

During 2012 the Company strived to further contribute to the improvement of social advertising and communication skills in civil society organizations. One of the ways to engage this issue involved increasing the scale and impact of "Segundos para Todos", an advertising contest for NGOs organized by Cablevisión, which combined broadcasting spots with coaching sessions in Buenos Aires, Córdoba, Santa Fe, Salta and Neuquén. During 2012, the company continued to invest in the TV program "Segundos para todos TV", that reflected their outreach to the community and focused on public interest topics.

An additional issue in which Grupo Clarín has a sustained and strategic commitment is in reducing the digital divide and promoting digital inclusion. This is addressed by raising awareness through news coverage and TV programs in different media outlets. Also during 2012, Cablevisión extended its free cable TV and Internet access connections program to a growing number of schools, hospitals and other institutions, reaching 20,362 by the end of the year. This represents an annual contribution of approximately Ps.42.2 million, and is completed

with specific programs such as a "social fee" for low income neighborhoods.

The impact of the mentioned donation of advertising space and connectivity services can be added to the Ps.2.9 million budget by the Noble Foundation for the 2012 period, and the amount dedicated to other social investment programs in several subsidiaries reaching Ps.6.8 million, all of which collectively represents an investment of Ps.89.4 million. Nevertheless, a detailed total figure cannot be yet estimated in full at a corporate level since information collection systems are being set in place to be able to provide the community investment related to the smaller companies.

As well as contributing with its own funding, knowhow and expertise, Grupo Clarín aims to leverage support from others by seeking matching funding and regular donations from individuals and partner organizations for supported initiatives.

Advertising space donated in 2012

Radio	412.8 thousand seconds
Broadcast and Cable Television	601.5 thousand seconds
Pages in Newspapers and Magazines	88.4 pages

Ps.36.9 million donated in advertising space in 2012



Fostering Education and Culture

As part of the Company's initiatives to support education, Grupo Clarín used its cross-segment position and ability to communicate with society to raise awareness of education's importance as a right and as a critical driver of social development in Argentina's future. In this sense, the Company tried to foster equal opportunities in education through the generation of updated, affordable and quality educational materials for students, teachers and schools throughout the country, through its publishing company Tinta Fresca.

For the ninth consecutive year the Company successfully organized "Digamos Presente", an initiative focused on equal access to education and rural education, in partnership with APAER, Red Solidaria, Cimientos Foundation, and with the support of Arcor and Telecom.

The Company has also renewed its support to the 3rd Educational Quality Forum, a massive event organized by Educar 2050. In this same regard, Grupo Clarín and Cablevisión have renewed their support to the prestigious annual and nationwide research carried out by the Observatorio de la Deuda Social Argentina (Observatory of the Argentine Social Debt) of the Pontificia Universidad Católica Argentina.

Among the main alliances are specific initiatives such as the program "Potenciar Comunidades Rurales" (Empowering Rural Communities) carried out with the support of several companies to support local development projects in certain communities with the leadership of Emprendimientos Rurales Los Grobo.

One of the most important initiatives generated from a collective effort is the "Premio Clarín-Zurich a la Educación" (Education Award). The fourth edition recognized the best projects aimed at improving the quality of maths teaching. For the next period it will select the best project in the field of Information Technologies.



During this period, through the Noble Foundation, the Company continued to offer donations of bibliographical material, and renewed its long time support of several schools which carry the name of the Clarín's founder, Roberto Noble ('Escuelas Roberto Noble').

Again this year, the Company sponsored the annual Maratón de Lectura (Reading Marathon) initiative, organized by Fundación Leer with the participation of 4,000,000 children from 13,051 different schools. The event received the donation of books published by Clarín and the initiative was promoted through a wide range advertising campaign.

Grupo Clarín and its subsidiaries have also renewed their commitment to culture through several sponsorships to important events and entities, such as, Feria del Libro (Book Fair), PROA Foundation, Faena Art Center, Arte BA, the Meraviglie dalle Marche exhibition, 600 years of Italian art at the National Museum of Decorative Arts, Teatro Colón, Ushuaia's Festival of classical music and the 22nd season of Vamos a la Música which this year introduced "El Cascanueces y las princesas encantadas" at Centro Cultural Konex.

The Company also supported the presentations of Iñaki Urlezaga and Trío Argentino, as well as the launch of Teatro Maipo's season presenting "El último tour" by Eleonora Casano and the play "Master Class" with Norma Aleandro as leading actress, and the films "Dos más dos" with the performance of Adrián Suar, Julieta Díaz, Carla Peterson and Juan Minujín and "La suerte en tus manos" featuring Valeria Bertuccelli and Jorge Drexler under the direction of Daniel Burman.

As it does traditionally, in 2012 Clarín held the annual award "Premio Clarín de Novela" and supported the exhibition "María Elena Walsh en casa de doña Disparate" at Victoria Ocampo's residence in San Isidro.

Through its cable and broadcasting channels, the Company also makes significant efforts to promote the most important cultural, cinema and sports events, and makes an increasing contribution in the field of cultural diversity and local identity. Noteworthy are initiatives such as "Volver", a cable channel that preserves the most complete Argentine programming archive, or the "Word Archive" at Radio Mitre, which offers an online record of some of the country's most valuable audio heritage.

Noble Foundations' educational donations

	2012	2011	2010
Books	48,900	53,406	63,542
Magazines	6,660	6,625	4,160
Booklets	500	260	550

Media Literacy and Protection of Young Audiences

Media has an increasing role in society and especially in the lives of young people. Through several programs, the Company encourages them to develop tools to access media through critical analysis and to take advantage of opportunities presented by media to explore their identities, creatively express their thoughts and opinions, and amplify their voices.

Media Literacy is generally defined as the ability to access, analyze, critically respond and benefit from the different type of media. Grupo Clarín's main tool for fostering media literacy is "Los medios de comunicación y la educación" ('Education and Media'), a leading and recognized program that has been in place for nearly 30 years. One of the main activities of the Noble Foundation in 2011 was that of renewing the program, which consists of workshops and booklets for teachers and students to promote a critical approach to the media and to utilize them as complementary resources in education.

These programs are supplemented through other initiatives regarding the promotion of responsible content consumption. Through the Noble Foundation, Grupo Clarín renewed the presence and coordination of the media section at the "Museo de los Niños" (Children's Museum), and continued to promote visits to its printing facilities. During 2012, 14,438 people (mainly students) and 234 institutions had the opportunity to see firsthand what goes on behind the news production and distribution process.

Within its Cable TV and Internet access segment, the Company contributes with the protection of young vulnerable audiences, providing tools for parents to keep children from accessing sensitive or age



inappropriate programming. This includes several parental control options in Cable TV service and equipment, in addition to guidance tips, awareness campaigns and tools for web access restrictions.

On the other side of the screen, children artistic participation in television and films also requires a responsible approach. The Company complies with all regulations and self-imposed guidelines by setting limited time schedules and engaging with parents and tutors.

Excellence in Journalism

Reaffirming its commitment to journalistic excellence, the Noble Foundation also carried out activities to consolidate the training and

excellence of current and future communicators.

Among them is the support provided to the Masters Degree in Journalism, an international graduate course with the highest academic level, organized by Grupo Clarín and the University of San Andrés, with the participation of the School of Journalism at Columbia University and the University of Bologna, and led by renowned national and international journalists and academics.

In this sense, the Company sponsored the achievements (both at the institutional level and through journalistic content) of the Graduate Course in Scientific, Medical and Environmental Communication. This program is organized by the University Pompeu Fabra in Barcelona, together with the Leloir Institute and the cable station Todo Noticias (TN). Another highlight in this area was the launch during 2011 and renewal in 2012 of the Graduate Program in Digital Journalism organized by the University Pompeu Fabra and TN.com.ar.

"Education and the Media" Program

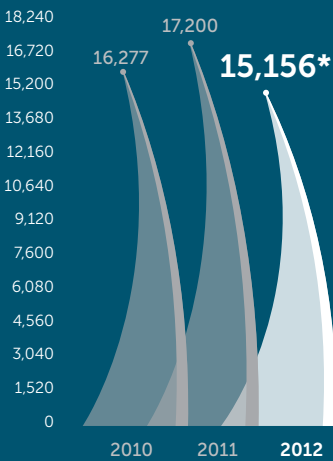
	2012	2011	2010
Teachers' workshops	125	100	169
Students' workshops	534	525	581

OUR PEOPLE

Grupo Clarín's success and leadership is mostly the result of the efforts, talent, professionalism and creativity of its people.

It is no coincidence that Grupo Clarín's media companies are amongst the most preferred working places by communication professionals. The Company strives to offer better opportunities, incentives and tools to sustain and strengthen the firm commitment of the professionals that believe in Grupo Clarín's project.

TOTAL EMPLOYEES



*Note: 2012 figures reflect variations in the scope of Companies included in this annual report. Therefore, comparative analysis with previous years cannot be properly shown. Refer to section "Transparency, Standards and Guidelines" for further detail.





Distribution of Company

Employees by Category	2012	2011	2010
Management	209*	248	280
Middle management	2,220*	2,403	2,132
Junior management, administration and commercial	4,905*	2,513	3,706
Qualified technical personnel	5,955*	6,988	6,782
Journalists	1,187*	1,357	N/A*
Others	680*	3,691	3,377

*Note: 2012 figures reflect variations in the scope of Companies included in this annual report. Therefore, comparative analysis with previous years cannot be properly shown. Refer to section "Transparency, Standards and Guidelines" for further detail.

The Company possesses a special make-up in terms of age and gender diversity among its employees. When it comes to gender, the higher proportion of male employees is significantly explained by the large number of technical personnel, which in Argentina is predominantly

male, working in the printing facilities and in the Cable TV and Internet access segment. The gender composition in other companies of the Group is balanced, especially regarding content related activities, such as journalism and audiovisual production, where the workforce is diverse.

In addition to strictly abiding by the laws, the Company sets higher than standard conditions for its employees. Of Grupo Clarín's total workforce, more than 76% of employees are covered by collective agreements. For those who are not, the Company's corporate policy is to apply conditions established by the best existing agreement.

Taking care of the work environment and conditions, health and job safety and offering training to improve employees' professional skills and techniques are some of the actions aimed at consolidating the sense of integration and achievement of organizational goals.

One of the key ways of obtaining feedback on the Company's performance is via the global staff survey, carried out every two years. During 2012, the survey was carried out in all of the Company's subsidiaries, reaching a record level of response of 92%, in comparison with 88% registered in 2010 and 81% in 2008. Amidst the complex environment for the company and its employees related to the harassment by the Government, it is worth noting that figures for climate remained strong and that those related to commitment reached average levels of almost 70%. The same happened with leadership indicators, which maintained their levels with high scores.

In 2012, the Company continued to develop the in-house Volunteer Program of Grupo Clarín and its subsidiaries. Named "Vos también" (You Too), the program included the design and implementation of several actions to engage volunteers with the community. The program was implemented in 9 business units, including the corporate area, with impact on 12 provinces in Argentina and in two countries (Paraguay and Uruguay). According to its main indicators, volunteers dedicated 6,901 hours of work (5,629 during working hours), with a global engagement rate of 6.94%, representing 1,180 volunteers with a satisfaction rate of 97.6%. Work was done in association with over one

Employees by sex

	2012	2011	2010
Men	11,654*	13,375	12,698
Women	3,502*	3,825	3,579

Employees by groups of age

	2012	2011	2010
<30	3,850*	4,875	4,875
31-50	9,466*	9,464	9,464
>51	1,840*	1,938	1,938

*Note: 2012 figures reflect variations in the scope of Companies included in this annual report. Therefore, comparative analysis with previous years cannot be properly shown. Refer to section "Transparency, Standards and Guidelines" for further detail.



hundred social organizations that have partnered the several initiatives which helped 7,543 people.

Through these initiatives, volunteers had the chance to make contributions in several areas, such as training on the use of online platforms, radio workshops (such as, “Voces solidarias”, a program sponsored by Radio Mitre to help the Argentine library for the blind), toy-collecting efforts, job placement support and advice, blood donation efforts, social inclusion recreational events, articulations between formal education and the workforce, professional support to Social Organizations, and volunteer social project management, among others. The program had a high satisfaction level among participants: 99.25% of the participants found it rewarding or very rewarding and a similar percentage stated that they would participate again.

Grupo Clarín has paid special attention to the multiple internal communication tools, such as the magazine Nuestro Medio, the Corporate Intranet with participation spaces and forums, the digital newsletter Nuestro Resumen, and the digital newsletters of the Corporate Training Program and the Company Climate Management Program, as well as internal communication spaces and notice boards. Year after year, Grupo Clarín increases its efforts to implement and streamline the information channels on benefit programs, policies and relevant organizational changes, and news

concerning the daily development of activities.

Benefits and career development

Although most benefits are common to the whole Company, each business unit integrates additional benefits that vary in nature according to tasks. Since the last quarter of 2007, the Company, together with its subsidiaries, began to implement a Long-Term Savings Plan for directors and managers, which became effective in 2008.

During 2012, corporate and business units’ human resources departments have continued to implement different programs to identify internal talent for career development. Also, Grupo Clarín’s and Cablevisión’s Young Professionals Program was renewed, creating opportunities for professionals that are taking their first steps in their career paths.

In order to develop new skills and build up existing strengths, people need encouragement and support. In addition to increasing the number and variety of training options, during 2012, the Company continued efforts to extend and enhance the employee performance appraisal program in different categories.

Grupo Clarín’s employees and professionals can update and expand their knowledge and skills through several training programs, ranging from

seminars and courses to graduate degrees and MBAs. Human Resources departments are in the process of consolidating individual training records and training hour’s information

One of the main initiatives in this respect is the ‘Corporate Training Program’ which includes a wide variety of courses. A relevant aspect among current training options is that the Company pays special attention to training on new tools and technology developments, in order to properly prepare its workforce for the challenges the media sector is facing.

In addition, throughout the business units, there have been seminars and programs on quitting smoking, diseases, and other relevant topics, as well as special action campaigns regarding health and medical check-ups, with special focus on the preemptive measures against seasonal diseases. Also, the Group carries out several different activities designed to prevent job related accidents.

Grupo Clarín continued to explore alternatives of interaction or joint approach to common interest issues at the various levels of its value chain. Grupo Clarín focused on the implementation of systems and procedures aimed at the application of best practices for purchases, hiring, and contracting with suppliers, within a framework of supervision and transparency.

“Vos También” Volunteer Program in 2012

	2012	2011
Volunteers	1,180*	1,466
Social Organizations involved	100	35
Direct Beneficiaries	7,543	6,594
Working hours	5,629	3,354
Non-working hours	1,272	2,019
Employee involvement	6.94%*	13.35%

*In 2012, one of Grupo Clarín’s main Companies in terms of workforce, could not participate in one of the programs activities due to an illegal breaking into its facilities, impacting in the final involvement figure.





ENVIRONMENT

It is widely recognized that the media industry has a lower impact than most other industrial processes. Within the framework of an environmental management policy aimed at improving eco-efficiency, the Company and its subsidiaries primarily consume energy, newsprint, cable and water and generate waste.

During 2012, the Company continued to take steps towards the measurement, planning and improvement of manufacturing processes to optimize results and address possible impacts. Progress was made in achieving the period's goals by introducing sustainable methods to obtain and use resources; implementing policies for investment in equipment and raising awareness for the adequate use of technology.

It is worth mentioning that AGEA, the company that manages the largest printing plant, developed during the period an Environmental Policy and invested in the first stages towards obtaining the ISO 14001 certification.

The United Nations Global Compact, signed by Grupo Clarín in 2004, also sets principles regarding environmental protection. Businesses are asked to:

(Principle 7) support a precautionary approach to environmental challenges;

(Principle 8) undertake initiatives to promote greater environmental responsibility;

(Principle 9) and encourages the development and diffusion of environmentally friendly technologies.

The present report reflects the global impact of the different subsidiaries where the Group has controlling stakes, while indicating some specific effects with regards to the nature of the different business activities. Based on a materiality assessment and changes in the manner in which information is consolidated starting in 2012, the usual comparative analysis is not available.

Consumption. Newsprint and Energy

At the printing plants, the Company followed established guidelines to ensure the provision of materials at quality levels compatible with international standards for paper, inks and other specific inputs. Most of the newsprint supply comes from Papel Prensa.

In addition to the FSC certification obtained by AGR in 2010, during the last period, the Company engaged in planning significant environmental investments and put in place the initial stage towards obtaining the ISO 14001 certification at AGEA's printing plant.

In terms of types of inks used, although different printed products require different resources, as an example, the main printing plant usage of vegetable oil based coldset ink reaches almost 60%. Vegetable oil based coldset is environmentally friendlier than other types of ink and allows reducing ink usage by approximately 10/15%. This can also be achieved by printing techniques; at the Company's printing sites the

stochastic printing style introduced in 2008 continues to be applied as a way of optimizing ink usage.

Company qualified teams continuously strive to reduce consumption by identifying and adopting increasingly eco-efficient processes. The introduction of adjustments on the dimensions of newspapers made in previous years continues to shows its benefits in the use of paper and other materials.

The percentage of polybagging in the Company's newspapers and magazines continues to be of minor significance, although the use of polypropylene in some parts of the dispatching process is regularly assessed.

The primary resource used by Grupo Clarín and its subsidiaries is energy. Grupo Clarín's consumption comes from both direct and indirect sources; the indirect consumption comes from electricity taken from the grid.

	2012	2011	2010
Paper	85,202 Tn	112,290 Tn	111,656 Tn
Ink	1,269 Tn	2,735 Tn	2,412 Tn
Aluminum plates	244 Tn	236 Tn	272 Tn

Direct and Indirect energy consumption by primary source:

	2012	2011	2010
Electricity	216,991 MWh*	431,326 MWh	419,563 MWh
Natural Gas	31,891 m ³ *	25,825,636 m ³	29,898,426 m ³
Gasoline	11,823 GJ*	29,399 GJ	24,676 GJ
Gasoil	44,111 GJ*	64,509 GJ	76,043 GJ
LP Gas	492 GJ*	2,449 GJ	2,563 GJ

*Note: 2012 figures reflect variations in the scope of Companies included in this annual report. Therefore, comparative analysis with previous years cannot be properly shown. Refer to section "Transparency, Standards and Guidelines" for further detail.





Energy consumption is significant in the printing activities and, to a lesser extent, in the business units which operate with technology, such as cable television and Internet services, broadcasting, etc. In this area, some initiatives developed by Artear include the introduction of cold lighting in all new and renovated television studios, in order to reduce 5 times or more the regular energy consumption.

In addition to the 2011 goal of replacing all of Artear's live unit news vehicles for low consumption vehicles, during 2012, building improvements were carried out in underground facilities to take advantage of natural light. This, together with the installation of energy efficient cladding resulted in a 2,820 GJ saving. During this period, the company focused on a multiple stage scheme to replace other lighting materials and continued to invest in equipment -manufactured within environmentally friendly parameters- in order to meet the needs of the generation and distribution of content in High Definition.

Through Papel Prensa, a subsidiary in which the Company owns a minority stake and that provides newsprint for over 95% of Argentine Newspapers, Grupo Clarín participates in the production of newsprint, which is then used as a raw material by some of its other subsidiaries. This allows a comprehensive view of product's life cycles.

Papel Prensa has implemented production policies based on the procurement of strategic inputs without contributing to the depletion of natural resources. To this end, the paper mill recovers raw materials from the recycling of returned newspapers, to generate more newsprint, thus reducing the use of virgin fiber. The type of fiber source (Poplar, and Willow) depends upon the availability of materials, as well as economic considerations such as the minimization of transport distances and costs, which is a relevant economic and environmental consideration. Nevertheless, it is important to mention that fresh fiber comes

entirely from sustainable plantations. This means that no native forests are involved or endangered. This is combined with continuing research on Salicaceae, related to their genetic improvement and also to ecologic and silvicultural aspects, done by means of agreements made with universities, research centers and experts, with the objective of increasing productivity, reducing costs and assuring the sustainability of the ecosystem.

Papel Prensa's forestry division undertakes its activities with a sustainability strategy that involves the protection of biodiversity. Protected forestry areas and the banning of hunting activities have led to a sustained increase in bird fauna. These conditions allow for the development of several R&D programs, also in collaboration with universities, which include the introduction, protection and reproduction of certain endangered deer species for their proper and secure development.

Emissions and discharges

Most of the Company activities are undertaken in urban areas with no relation to natural areas, and complying with urban planning standards in force.

In terms of emissions, the main contributors to the Company's carbon footprint are print sites.

The Company is constantly exploring alternatives to improve processes and efficiency in these areas, and to continue to enhance the analysis and inventory of CO₂ emissions generated by Grupo Clarín's activities. The primary strategies available to reduce greenhouse gas emissions are reducing the consumption or changing the energy sources, for example, by increasing the use of renewable forms of fuel and bioenergy.

Each one of Grupo Clarín's subsidiaries identifies and manages waste production and disposal. As part of the treatment of industrial waste from the printing process, the Company collects and separates other waste materials (ink, oils, greases and solvents), which are shipped to certified third parties for recycling and reuse. Aluminum plates used in printing can be 100% reused.

Hazardous waste is carefully handled and handed over to authorized waste management companies. The Company continues to carry out strategies to reduce the amount of this type of waste, with significant success. In 2011 the reduction reached 21%.

Special care is also maintained regarding the handling of liquid effluents resulting from development processes, subjecting them to rigorous treatments and measurements before disposal.

In sites such as La Voz del Interior and AGEA the water is treated and then reused in irrigation or as part of the production process. During this period, the Company reached the goal of generating zero discharges at AGEA's printing plant, also reducing water usage.

Besides printing plants, the Company's office buildings and other facilities only produce discharge of domestic sewage.

Water usage, recycling and discharges are significant in the paper mill. As stated in Papel Prensa's website, since the beginning of its activity, changes have been introduced into water circuits, and new equipment has been added in order to make it possible for water to be used again, so that the more than 100 cubic metres of fresh water per ton of paper required



in the past, have at present been reduced to less than 30 cubic metres, which means a condition comparable to the leading world industries of the same type. The water which is made use of is taken from the Baradero River into which also flow the outgoing effluents. These undergo a first mechanic sedimentation treatment, and then a second treatment consisting of airing ponds where effluents are deprived of their organic matter down to the limited values allowed by the present legal regulations.

In addition, Grupo Clarín continued to increase the contribution to the Garrahan Foundation through an office paper recycling program. This

was combined with programs for reducing the use of paper in Company offices while seeking to optimize printing techniques, and renewed efforts to raise employee awareness regarding sustainability issues.

The Company continued to support projects related to the care and protection of green areas by sponsoring and contributing to the preservation of the parks Plazoleta Dr. Roberto Noble and Parque de la Ribera located in San Isidro. Through preservation works in both parks, the Company also sought to promote responsibility in the care of public areas by the community and constructively contribute to the defense of the environment.

2012*-Total direct and indirect greenhouse gas emissions by weight

	2012
Direct Emissions	5,764 Tn
Indirect Emission	27,569 Tn

*Note: 2012 figures reflect variations in the scope of Companies included in this annual report. Therefore, comparative analysis with previous years cannot be properly shown. Refer to section "Transparency, Standards and Guidelines" for further detail.

2012*-Total weight of waste by type

	2012
Urban or Non-Hazardous Waste	4,264 Tn*
Hazardous Waste	437.4 Tn*

*Note: 2012 figures reflect variations in the scope of Companies included in this annual report. Therefore, comparative analysis with previous years cannot be properly shown. Refer to section "Transparency, Standards and Guidelines" for further detail.

	2012
Total Water Discharge in Printing Facilities	1,560 m ³

RISK FACTORS

As an Argentine multimedia company, Grupo Clarín is exposed to a wide range of risks, related to the country and also to its operations. Nevertheless, one of the Company's strengths lies in its strategic asset diversification to help spread possible risks.

The Company relies on a strong internal control system. The identification of risk and its assessment is part of each unit's business plans, and is also addressed by a corporate based control department and by the Board on a regular basis.

Argentina's economic environment

Substantially all of our operations are conducted in Argentina, and are therefore affected by changes in Argentina's economic environment.

The Argentine economy has experienced significant volatility in recent decades, with periods of low or negative growth, high inflation and currency devaluation. After six years of sustained economic growth, the Argentine economy slowed down in the second half of 2008 and throughout 2009, affected by the international crisis as well as internal political developments. Although the trend was later reversed, with real GDP growth reaching 9.2% in 2010 and 8.9% in 2011, real GDP growth declined again in 2012 to 1.9% (all figures according to information published by the National Institute of Statistics and Census -INDEC-).

Sustainable economic growth depends on a variety of factors, including international demand for Argentine export commodities and their prevailing prices, stability and competitiveness of the Peso against foreign currencies, confidence of consumers and local and foreign investors and a low rate of inflation.

The Argentine economy might be adversely affected by the following factors:

- Increase in current inflation affecting competitiveness and economic growth;
- Insufficient levels of investment;
- Exchange rate volatility;
- Poor development of the Argentine credit market and limited ability to obtain financing from international markets;
- A reduction of the payment capacity of the Argentine public sector and the possibilities of procuring international financing;
- Increase in current public expenditure affecting fiscal accounts;
- Possible reduction or reversal in the trade balance due to significant decrease in agricultural prices in general and soy in particular or adverse climatic conditions affecting the production of agricultural commodities;
- Recession, low economic growth or economic uncertainties affecting Argentina's main trading partners;
- Government imposed restrictions on imports or exports;
- Wage and price controls;
- Political and social tensions;
- Continued instability of the financial systems of the main developed economies;
- Abrupt changes in the monetary and fiscal policies of the main economies worldwide; and
- Reversal of capital flows due to domestic and international uncertainty.

A downturn in economic activity is likely to result in increased subscriber churn and bad debt, subscriber losses as well as decreased advertising revenues. We seek to address the cycles affecting the Argentine economy by diversifying the scope of our business and managing our foreign currency liabilities.

Political and Economic Uncertainties

Our financial condition and results of operations depend to a significant extent on macroeconomic and political conditions prevailing in Argentina. The Argentine government's actions impacting the economy, including those in connection with inflation, interest rates, price control, exchange control and taxes, have affected and could continue to affect Argentine companies like ours.

Inflation for 2012 stood at 10.8% according to information published by the INDEC and may continue to rise. Private estimates of inflation rates largely exceed those published by the INDEC. According to figures published by members of Congress from opposition parties, the average private inflation estimate was 25.6% for 2012.

In the past, inflation has materially undermined the Argentine economy and Argentina's ability to create conditions that would permit growth. High inflation may also (i) undermine Argentina's competitiveness abroad producing, inter alia, an increase in unemployment levels and (ii) negatively impact the country's long-term credit markets. There can be no assurance that inflation rates will not continue to escalate in the future or that the measures adopted or that may be adopted by the Argentine government to control inflation will be effective or successful. Inflation remains a challenge for Argentina. Significant inflation could have a material adverse effect on Argentina's economy and in turn could increase our costs of operation, in particular labor costs, and may negatively impact our financial condition and results of operations.

During the second half of 2011 and in 2012, the Argentine government increased controls on the incurrence of foreign currency-denominated indebtedness, the sale of foreign currency and the acquisition of foreign assets by local residents. New regulations issued in 2012 subject foreign exchange transactions to prior approval by Argentine tax authorities. Since the enhancement of exchange controls in November 2011, and the introduction of measures that have practically closed the foreign exchange market to retail transactions, it is widely reported that the peso/U.S. dollar exchange rate in the unofficial market and in neighboring markets where the peso is traded differs substantially from the official foreign exchange. Additional controls could have a negative effect on the economy and on private sector companies, including our business.



Furthermore, in such event, the imposition of future restrictions on the transfers of funds abroad may impede the transfer of foreign currency on account of dividends to GDS holders.

In 2012, the Argentine government introduced a procedure pursuant to which local authorities must pre-approve the import of products and services to Argentina as a pre-condition to permit such import and the consequent access to the foreign exchange market for the payment of the imported products or services. Repeated complaints from various countries against import restrictions implemented by Argentina, suspension of export preferences or retaliations by trading partners may have an adverse effect on Argentine exports, affect the trade balance and, consequently, adversely impact Argentina's economy.

Additionally, increased government control over foreign trade has resulted in a shortage of inputs and spare parts and in production disruptions. The continuation of these shortages may affect the growth of the economy and, consequently, could affect our business, financial condition and results of operations.

Expropriations, interventions and other direct involvement by the Argentine government in the economy have had an adverse impact on the level of foreign investment in Argentina, the access of Argentine companies to the international capital markets and Argentina's commercial and diplomatic relations with other countries. The level of government intervention in the economy may continue or increase, which may adversely affect Argentina's economy in the medium and long-term and, in turn, our business, results of operations and financial condition.

Litigation, as well as claims filed Argentine sovereign debt bondholders and foreign investors with the International Centre for Settlement of Investment Disputes (ICSID) and United Nations Commission on International Trade Law (UNCITRAL) against the Argentine government, have resulted in material judgments and may result in new material judgments against the government, and could result in attachments of or injunctions relating to assets of Argentina that the government intended for other uses. As a result, the Argentine government may not have all the necessary financial resources to honor its obligations, implement reforms and foster growth.

The lack of access to financial markets could have a material adverse effect on the country's economy, and consequently, our business, financial condition and results of operations.

During the first quarter of 2011, a team from the International Monetary Fund (the "IMF") started to work in conjunction with the INDEC. Notwithstanding the foregoing, reports published by the IMF state that their staff has called on Argentina to adopt remedial measures to address the quality of official data. In a meeting held on February 1, 2013, the Executive Board of the IMF found that Argentina's progress in implementing remedial measures has not been sufficient and, as a result, the IMF issued a declaration of censure against Argentina and called on Argentina to adopt remedial measures to address the inaccuracy of inflation and GDP data without further delay, and in any event, no later than September 29, 2013. If Argentina were not to comply with the remedial measures required by the IMF, the IMF could increase its sanctions towards Argentina. The effects of these measures could derive in further financial and economic hazards for Argentina, including lack of IMF financing.

During the last few years, the Argentine government has substantially increased public expenditure. For 2012, the government reported the first fiscal deficit since 2009. The Argentine government has sourced part of its funding requirements from the Central Bank and to the ANSES. We cannot assure you that the government will not seek to finance its deficit by gaining access to the liquidity available in the local financial institutions.

On March 22, 2012, the Argentine Congress passed Law No. 26,739, which amended the charter of the Central Bank and Law No. 23,298. Law No. 26,739 amends the objectives of the Central Bank (established in its charter) and removes certain provisions previously in force. As amended, the Central Bank Charter provides that reserves may be made available to the government for the repayment of debt or to finance public expenses. This use of Central Bank reserves for expanded purposes may render Argentina more vulnerable to external shocks, affecting the country's capacity to overcome the effects of an external crisis, and fuel inflation as the amount of pesos in circulation increases while reserves decrease. In addition, Law No. 26,739 amends the criteria for

compliance with the minimum cash requirement for banks. This amendment could affect financial institutions by forcing them to increase liquidity, with a potential adverse impact on credit supply, and therefore on the growth of the Argentine economy and on our business.

Legislation and Regulation of the Media Industry

In Argentina, the legal system, including the Constitution, shields journalistic activities from regulation to protect the independence of the free press. As a media company, we are vigilant as to the menaces that might arise in this respect and widely cooperate with journalistic associations and other NGOs that advocate for the protection of fundamental constitutional rights such as freedom of speech and freedom of the press.

However, during 2012 private media in general and Grupo Clarin in particular continued to face an escalating level of harassment, executed through the official and para-official apparatus with the clear intention of damaging the media's reputation and directly and indirectly limiting its journalistic activities.

In October 2009, the Argentine Congress passed a new Audiovisual Communication Services Law that is intended to replace the general legal framework under which the audiovisual media industry operated in Argentina for approximately three decades. We and others challenged the new Audiovisual Communication Services Law on several grounds, including its encroachment upon constitutional rights, the broad and discretionary powers over media and content granted to the Executive Branch, for favoring state-owned and sponsored media and affecting the sustainability of privately-owned media, promoting the elimination of independent signals and enabling a pervasive and questionable censorship system anchored upon the discretionary power to grant licenses and the application of penalties, among other controversial aspects.

Since its enactment in October 2009, several courts enjoined the application of the statute in its entirety in certain cases, or of certain of its provisions, in other cases. Some of these rulings have been reversed by the Supreme Court of Argentina and a court of appeals, but injunctions that suspend specific sections of the law are still in effect. On April 17, 2013, the Federal Court of Appeals on Civil and Commercial Matters rendered a decision on the merits regarding the constitutionality of the Audiovisual Communication Services Law, declaring that certain sections of the law are constitutional, but that certain restrictions to ownership of multiple broadcast, cable television licenses and signals are contrary to the Argentine Constitution. Both the National Government and the Company have filed extraordinary appeals against the court of appeal's decision, which should now be considered by the Supreme Court.

Faced with the possibility of an adverse decision, the National government has embarked on a fierce and unprecedented attack against the Judicial Branch, particularly in connection with the cases relating to the Audiovisual Communication Services Law. The several activities, pressures and strategies implemented by the national government to interfere with the decisions of the Judicial Branch include, but are not limited to: several attempted appointments of judges that are in favor of the Broadcasting Law; pressures on and changes in majorities at the Council of the Judiciary (the body responsible for the appointment and removal of judges; multiple recusations of judges sitting in procedures involving the Audiovisual Communication Services Law; pressures on and criminal charges against judges and advisors to remove them or cause them to resign; actions that resulted in the virtual fragmentation of the Courts on Civil and Commercial Matters; changes in the substitution system, and pressures on the Supreme Court up to and including customizing the government's request for special appeal (per saltum) that would allow the government to bypass the regular process, among many other actions against the republican system of checks and balances.

If ultimately upheld by the judiciary, the application of the new legal and regulatory environment to our cable television, telecommunications and Internet and digital content operations may be disadvantageous to us, and will affect the manner in which we operate our business. Failure or delay in renewing our licenses or obtaining regulatory approvals may also influence the availability of our services to our customers.

Since 2009, among other measures, the Argentine government has sought to revoke the authorization granted unanimously by the National Antitrust Commission in 2007 to the transaction whereby the Company indirectly acquired 60% of Cablevisión and Cablevisión acquired all or part of the equity interests of certain of our subsidiaries.

The Argentine government has also taken measures to revoke the license under which Cablevisión renders internet services, and to set the price of its pay-television service according to a pricing formula. Such measures, which we have challenged in court, if upheld would materially adversely affect our business. We have obtained preliminary injunctions that have enjoined the government's action, and will continue to make every effort to defend ourselves by taking all actions necessary to safeguard our rights. However, we cannot assure that such efforts ultimately will prove successful.

Other government of para-official actions against the Company and media in general include:

- An exponential increase and discriminatory allocation of official advertising used to create and sustain pro-government media, as well as the use of such advertising to condition the press;
- The use of public funds and media on a discretionary basis to generate content and shows that display political propaganda, while creating hurdles and discriminating against certain media in the access to public information;
- An aggressive campaign to destroy non-partisan media by compromising their economic sustainability and credibility;

- Abuse of bureaucratic controls or controls by public agencies in the form of administrative persecutions, groundless arbitrary resolutions, disproportionate tax controls and recurring audits;
- Banning private companies from including their advertising slots in independent media;
- Blockades to printing facilities to prevent the distribution of certain newspapers and magazines;
- Government interference and regulation of the newsprint industry, including a series of temporary clauses, specifically and exclusively addressed to our affiliate Papel Prensa, whereby Papel Prensa is forced to make investments to meet the total national newsprint demand -excluding from this requirement the other existing company that operates in the country with installed capacity to produce newsprint.

We cannot assure that government action against independent media and against the Company in particular will not continue or intensify. Increased government action against the Company could materially affect our business, results of operations and financial condition.

Sector Development and Competition

The Company devotes significant resources to analyzing emerging trends and has vast experience and a solid track record in reading consumer demands and successfully developing new products and services, adapting its business model in time.

However, the media industry and certain maturing markets to which our services are catered, are dynamic and constantly undergo significant developments at a pace that may differ from our current expectations affecting our growth. Increased competition through new technological developments may adversely affect our business if our analysis of industry trends is not accurate or if we are not able to adapt readily our operations.

Programming and Personnel

We may not be able to renew our rights to certain programming and our results of operations may be adversely affected by the loss of key personnel. In addition, under the new Audiovisual Communication Services Law we may be forced to divest or cease to broadcast certain signals.

The production of content is part of our strategy and we dedicate significant resources to the identification of market trends and new figures and matters of public interest, to preserve the position of leadership we have acquired in the market.

Liquidity and Funding

We have financial debt outstanding, a significant portion of which is denominated in foreign currency. Financial markets remain practically closed for Argentine companies, and we must rely primarily on our cash flow generation to service our debt.

We have engaged in an active liability management policy, and improved our debt to free cashflow ratio to limit our need to access the market as a means of repayment of our financial obligations.

Certain of our costs, including a significant portion of our financial expenses, are dollar denominated. Currency fluctuations, such as a considerable devaluation of the Peso against the U.S. dollar are likely to affect adversely the Argentine economy and will impact negatively on our financial condition.

BUSINESS PROJECTIONS AND PLANNING

In the forthcoming years and as part of Argentina's challenge to achieve sustainable growth, Grupo Clarín seeks to maintain and consolidate its presence in the local market, both in the production and in the distribution of content.

Grupo Clarín's business units, along with the development of its core activities, will continue to work in order to seize opportunities, seeking to reinforce, improve and expand the range of products and services offered; increase market share; reach new audiences and promote permanent innovations.

Grupo Clarín will continue to focus on further optimizing the productivity and efficiency levels in all of its areas and companies, seeking to develop and apply the best practices related to each of these processes.

At a corporate level, it will continue to focus on the main processes that allow sustainable, healthy and efficient growth from different perspectives: financial structure, management control, business strategy, human resources, innovation and corporate social responsibility. Grupo Clarín will continue to analyze alternative new ventures related to its mission and strategic objectives both in Argentina and abroad, as long as they add value

to shareholders and are feasible and viable under the prevailing economic environment.

Grupo Clarín will continue to strengthen its consolidated commitment to traditional media, with a growing focus on the area of digital media and connectivity. To such end, the Company will leverage its strong presence in distribution networks, brand strength and, fundamentally, its broad experience in the production of content, recognized by the Spanish-speaking market for its quality, credibility and prestige.

In the hostile environment created by the current government towards the media, Grupo Clarín ratifies its determination to bring the necessary legal and administrative actions to safeguard its rights and those of its shareholders, while reinforcing once again its commitment towards its readers, audiences and the country. In its daily work, Grupo Clarín undertakes to assume with strength and responsibility the role the media are called to play through independent journalism and through the defense and promotion of universal and fundamental rights, such as freedom of speech, since these are pillars that extol the quality of democracy and the welfare of the Argentine society as a whole.



FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2012

2,683,294,222
325,330
261,047,000

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Glossary of Selected Terms

Consolidated Financial Statements as of December 31, 2012 Presented on a comparative basis

AFA Asociación del Fútbol Argentino (Argentine Football Association)	Grupo Clarín, or the Company Grupo Clarín S.A.
AFIP Administración Federal de Ingresos Públicos (Argentine Federal Revenue Service)	Grupo Radio Noticias Grupo Radio Noticias S.R.L.
AFSCA Autoridad Federal de Servicios de Comunicación Audiovisual (Audiovisual Communication Services Law Federal Enforcement Authority)	Holding Teledigital Holding Teledigital Cable S.A.
AGEA Arte Gráfico Editorial Argentino S.A.	IASB International Accounting Standards Board
AGL Artes Gráficas del Litoral S.A.	Ideas del Sur Ideas del Sur S.A.
AGR Artes Gráficas Rioplatense S.A.	IESA Inversora de Eventos S.A.
ANA Administración Nacional de Aduanas (National Customs Administration)	IFRIC International Financial Reporting Interpretations Committee
APE Acuerdo preventivo extrajudicial (pre-packaged insolvency plan)	IFRS International Financial Reporting Standards
ARTEAR Arte Radiotelevisivo Argentino S.A.	IGJ Inspección General de Justicia (Argentine Superintendency of Legal Entities)
Auto Sports Auto Sports S.A.	Impripost Impripost Tecnologías S.A.
Bariloche TV Bariloche TV S.A.	VAT Value Added Tax
BCBA Bolsa de Comercio de Buenos Aires (Buenos Aires Stock Exchange)	JPM JP Morgan Chase Bank, N.A.
Cablevisión Cablevisión S.A.	La Razón Editorial La Razón S.A.
Canal Rural Canal Rural Satelital S.A.	La Capital Cable La Capital Cable S.A.
CER Coeficiente de Estabilización de Referencia (Reference Stabilization Coefficient, a consumer price inflation coefficient)	Antitrust Law Law No. 25,156, as amended
CIMECO Compañía Inversora en Medios de Comunicación (CIMECO) S.A.	Broadcasting Law Law No. 22,285 and its regulations
Clarín Global Clarín Global S.A.	Audiovisual Communication Services Law Law No. 26,522 and its regulations
CLC Compañía Latinoamericana de Cable S.A.	LSE London Stock Exchange
CMD Compañía de Medios Digitales S.A. (former PRIMA Internacional)	Multicanal Multicanal S.A.
CMI Comercializadora de Medios del Interior S.A.	IAS International Accounting Standards
CNDC Comisión Nacional de Defensa de la Competencia (National Antitrust Commission)	NCP ARG Argentine Professional Accounting Standards, except for Technical Resolutions No. 26 and 29 which adopt IFRS.
CNV Comisión Nacional de Valores (Argentine Securities Commission)	OSA Oportunidades S.A.
CPCECABA Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (Professional Council in Economic Sciences of the City of Buenos Aires)	PALP Plan de Ahorro a Largo Plazo (Long-Term Savings Plan)
COMFER Comité Federal de Radiodifusión (Federal Broadcasting Committee)	Papel Prensa Papel Prensa S.A.I.C.F. y de M.
CUSPIDE Cúspide Libros S.A.	Patagonik Patagonik Film Group S.A.
CVB CV B Holding S.A.	Pol-Ka Pol-Ka Producciones S.A.
Dinero Mail Dinero Mail LLC	PRIMA Primera Red Interactiva de Medios Argentinos (PRIMA) S.A.
Adjusted EBITDA Revenues less cost of sales and selling and administrative expenses (excluding depreciation and amortization)	PRIMA Internacional Primera Red Interactiva de Medios Americanos (PRIMA) Internacional S.A. (now CMD)
Editorial Atlántida Editorial Atlántida S.A.	Radio Mitre Radio Mitre S.A.
FACPE Federación Argentina de Consejos Profesionales de Ciencias Económicas (Argentine Federation of Professional Councils in Economic Sciences)	Raven Raven Media Investments, LLC
FADRA Fundación de Automovilismo Deportivo de la República Argentina (Argentine Motor Racing Foundation)	Ríos de Tinta Ríos de Tinta S.A.
Fintech Fintech Advisory, Inc. together with its affiliates	SCI or SECI Secretaría de Comercio Interior (Secretariat of Domestic Trade)
GCGC GC Gestión Compartida S.A.	SECOM Secretaría de Comunicaciones (Secretariat of Communications)
GCSA Investments GCSA Investments, LLC	SHOSA Southtel Holdings S.A.
GC Minor GC Minor S.A.	SMC Secretaría de Medios de Comunicación (Media Secretariat)
GC Services Grupo Clarín Services, LLC	Supercanal Supercanal Holding S.A.
GDS Global Depositary Shares	TATC Tres Arroyos Televisora Color S.A.
Grupo Carburando Carburando S.A.P.I.C.A.F.I., Mundo Show S.A. and Mundo Show TV S.A.	Telba Teledifusora Bahiense S.A.
	Telecor Telecor S.A.C.I.
	Teledigital Teledigital Cable S.A.
	TFN Tribunal Fiscal de la Nación (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

Grupo Clarín S.A.

Consolidated Financial Statements
as of December 31, 2012
Presented on a comparative basis

In Argentine Pesos (Ps.) - Notes 2.1 and 2.12
to the consolidated financial statements and
Notes 2.1 and 2.8 to the parent company only
financial statements.

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

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

Information on the subsidiaries in Note 2.4
to the consolidated financial statements
and Note 4.3 to the parent company only
financial statements.

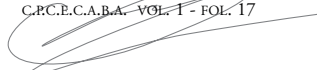
Capital structure

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 December 31, 2012		287,418,584
Total as of December 31, 2011		287,418,584




Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

Signed for identification purposes
with the report dated March 08, 2013
Price Waterhouse & Co. S.R.L.
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17



Dr. Carlos A. Pace (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106



Héctor Horacio Magnetto
Chairman

Consolidated Statement of Comprehensive Income

For the years ended
December 31, 2012 and 2011
In Argentine Pesos (Ps.)

		December 31, 2012	December 31, 2011
Continuing Operations			
Revenues	6.1	11,318,906,093	9,325,238,616
Cost of Sales ⁽¹⁾	6.2	(6,508,186,503)	(5,374,316,188)
Subtotal - Gross Profit		4,810,719,590	3,950,922,428
Selling Expenses ⁽¹⁾	6.3	(1,387,819,339)	(1,094,247,032)
Administrative Expenses ⁽¹⁾	6.3	(1,522,578,855)	(1,146,535,581)
Financial Income	6.4	162,251,896	102,687,565
Financial Costs	6.5	(1,078,405,434)	(684,773,400)
Other Income and Expense, net	6.6	639,370	1,507,210
Equity in Earnings from Affiliates and Subsidiaries	5.4	13,682,715	33,653,927
Income before Income Tax and Tax on Assets		998,489,943	1,163,215,117
Income Tax and Tax on Assets	7	(524,876,069)	(425,031,671)
Income for the Year from Continuing Operations		473,613,874	738,183,446
Discontinued Operations			
Net Income from Discontinued Operations ⁽²⁾		498,717,214	47,426,493
Net Income for the Year		972,331,088	785,609,939
Other Comprehensive Income			
Variation in Translation Differences of Foreign Operations from Continuing Operations		182,068,772	79,305,275
Variation in Translation Differences of Foreign Operations from Discontinued Operations		(1,899,698)	1,848,769
Other Comprehensive Income for the Year		180,169,074	81,154,044
Comprehensive Income for the year		1,152,500,162	866,763,983
Profit Attributable to:			
Shareholders of the Parent Company		482,310,720	514,753,208
Non-Controlling Interests		490,020,368	270,856,731
Total Comprehensive Income Attributable to:			
Shareholders of the Parent Company		567,296,198	552,746,145
Non-Controlling Interests		585,203,964	314,017,838
Basic and Diluted Earnings per Share from Continuing Operations		0.96	1.72
Basic and Diluted Earnings per Share from Discontinued Operations		0.72	0.07
Basic and Diluted Earnings per Share - Total		1.68	1.79

(1) Includes amortization of intangible assets and film library, and depreciation of property, plant and equipment in the amount of Ps. 872,356,212 and Ps. 765,478,746 for the years ended December 31, 2012 and 2011, respectively.

(2) As of December 31, 2012, it includes approximately Ps. 444 million in connection with the sale of the interests described in Note 12.g.


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



Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

Signed for identification purposes
with the report dated March 08, 2013
Price Waterhouse & Co. S.R.L.
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

Dr. Carlos A. Pace (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106




Héctor Horacio Magnetto
Chairman

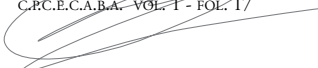
Consolidated Balance Sheet


As of December 31, 2012,
December 31, 2011
and January 1, 2011
In Argentine Pesos (Ps.) -

Assets	Notes	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current Assets				
Property, Plant and Equipment	5.1	4,137,741,603	3,665,276,048	2,822,810,673
Intangible Assets	5.2	554,781,161	622,168,215	715,133,399
Goodwill	5.3	2,797,020,692	2,739,655,126	2,700,177,279
Deferred Tax Assets	7	55,403,579	34,471,919	27,151,922
Investment in Affiliates and Subsidiaries	5.4	389,212,589	387,673,671	345,840,683
Other Investments	5.5	99,597,125	109,855	177,403
Inventories	5.6	13,929,652	13,139,000	21,340,016
Other Assets	5.7	1,896,642	1,546,764	2,204,616
Other Receivables	5.8	128,770,432	205,230,179	95,888,460
Trade Receivables	5.9	125,285,473	122,595,188	1,102,833
Total Non-Current Assets		8,303,638,948	7,791,865,965	6,731,827,284
Current Assets				
Inventories	5.6	342,773,949	371,180,023	252,092,555
Other Assets	5.7	7,362,757	11,467,311	78,594,494
Other Receivables	5.8	402,265,693	372,396,801	280,160,389
Trade Receivables	5.9	1,638,550,031	1,224,589,935	954,007,800
Other Investments	5.5	685,632,591	247,188,625	264,964,642
Cash and Banks	5.10	623,395,314	629,155,403	332,257,837
Total Current Assets		3,699,980,335	2,855,978,098	2,162,077,717
Total Assets		12,003,619,283	10,647,844,063	8,893,905,001
Equity (as per the corresponding statement)				
Attributable to Shareholders of the Parent Company		4,090,030,112	3,634,142,107	3,203,295,205
Attributable to Non-Controlling Interests		1,374,568,933	1,063,645,779	936,398,963
Total Shareholders' Equity		5,464,599,045	4,697,787,886	4,139,694,168
Liabilities				
Non-Current Liabilities				
Accruals and Other	5.11	254,838,954	193,039,012	159,947,261
Long-Term Debt	5.12	2,683,294,222	2,749,309,434	2,117,587,216
Sellers Financing	5.13	325,330	816,853	1,127,017
Deferred Tax Liabilities	7	261,847,892	182,336,02	219,731,774
Taxes Payable	5.14	74,910,041	79,195,842	83,639,832
Other Liabilities	5.15	97,588,589	104,354,485	89,429,579
Trade Payables and Other	5.16	5,888,626	10,198,755	12,450,978
Total Non-Current Liabilities		3,378,693,654	3,319,250,402	2,683,913,657
Current Liabilities				
Long-Term Debt	5.12	504,084,669	442,432,030	260,618,199
Sellers Financing	5.13	1,103,888	8,178,434	3,796,354
Taxes Payable	5.14	411,769,236	299,925,923	472,091,432
Other Liabilities	5.15	214,245,125	148,728,234	127,596,292
Trade Payables and Other	5.16	2,029,123,666	1,731,541,154	1,206,194,899
Total Current Liabilities		3,160,326,584	2,630,805,775	2,070,297,176
Total Liabilities		6,539,020,238	5,950,056,177	4,754,210,833
Total Equity and Liabilities		12,003,619,283	10,647,844,063	8,893,905,001

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


Carlos Alberto Pedro Di Candia
 Chairman of the Supervisory Committee

Signed for identification purposes
 with the report dated March 08, 2013
 Price Waterhouse & Co. S.R.L.
 C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

Dr. Carlos A. Pace (Partner)
 Certified Public Accountant (U.B.A.)
 C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106


Héctor Horacio Magnetto
 Chairman

Consolidated Statement of Changes in Equity

For the years ended
December 31, 2012 and 2011
In Argentine Pesos (Ps.)

	Shareholders' Contributions			
	Capital Stock	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal
Balances as of January 1, 2011	287,418,584	309,885,253	1,413,334,666	2,010,638,503
Set-up of Legal Reserve	-	-	-	-
Dividend Distribution	-	-	-	-
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-
Changes in Reserves for Acquisition of Minority Interests	-	-	-	-
Net Income for the Year	-	-	-	-
Other Comprehensive Income: Variation in Translation Differences of Foreign Operations	-	-	-	-
Balances as of December 31, 2011	287,418,584	309,885,253	1,413,334,666	2,010,638,503
Set-up of Reserves (Note 14)	-	-	-	-
Dividend Distribution (Note 14)	-	-	-	-
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-
Changes in Reserves for Acquisition of Minority Interests	-	-	-	-
Net Income for the Year	-	-	-	-
Other Comprehensive Income: Variation in Translation Differences of Foreign Operations	-	-	-	-
Balances as of December 31, 2012	287,418,584	309,885,253	1,413,334,666	2,010,638,503

(1) Broken down as follows: (i) Optional reserve for future dividends of Ps. 300,000,000; (ii) Judicial reserve for future dividend distribution of Ps. 387,028,756 and (iii) Optional reserve for illiquidity of results of Ps. 694,371,899.


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

Equity attributable to Shareholders of the Parent Company							
Translation of Foreign Operations	Other items	Retained Earnings			Total Equity of Controlling Interests	Non-Controlling Interests	Total Equity
	Other Reserves	Legal Reserve	⁽¹⁾ Optional reserves	Accumulated Results			
-	(16,485,290)	38,054,509	-	1,171,087,483	3,203,295,205	936,398,963	4,139,694,168
-	-	26,685,724	-	(26,685,724)	-	-	-
-	-	-	-	(120,000,000)	(120,000,000)	-	(120,000,000)
-	-	-	-	-	-	(185,768,664)	(185,768,664)
-	(1,899,243)	-	-	-	(1,899,243)	(1,002,358)	(2,901,601)
-	-	-	-	514,753,208	514,753,208	270,856,731	785,609,939
37,992,937	-	-	-	-	37,992,937	43,161,107	81,154,044
37,992,937	(18,384,533)	64,740,233	-	1,539,154,967	3,634,142,107	1,063,645,779	4,697,787,886
-	-	23,912,434	1,381,400,655	(1,405,313,089)	-	-	-
-	-	-	-	(135,000,000)	(135,000,000)	-	(135,000,000)
-	-	-	-	-	-	(290,063,721)	(290,063,721)
-	23,591,807	-	-	-	23,591,807	15,782,911	39,374,718
-	-	-	-	482,310,720	482,310,720	490,020,368	972,331,088
84,985,478	-	-	-	-	84,985,478	95,183,596	180,169,074
122,978,415	5,207,274	88,652,667	1,381,400,655	481,152,598	4,090,030,112	1,374,568,933	5,464,599,045



Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

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C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106



Héctor Horacio Magnetto
Chairman

Consolidated Statement of Cash Flows

For the years ended
December 31, 2012 and 2011
In Argentine Pesos (Ps.)

	December 31, 2012	December 31, 2011
Cash provided by operating activities		
Net Income for the Year	972,331,088	785,609,939
Income Tax and Tax on Assets	524,876,069	425,031,671
Accrued Interest, net	265,004,506	265,343,618
Adjustments to reconcile net income for the year to cash provided by operating activities:		
- Depreciation of Property, Plant and Equipment	726,074,731	613,264,887
- Amortization of Intangible Assets and Film Library	146,281,481	152,213,859
- Net of allowances	108,858,093	100,050,589
- Financial Income, except interest	462,345,935	206,158,381
- Impairment of Goodwill	-	12,053,573
- Equity in Earnings from Affiliates and Subsidiaries	(13,682,715)	(33,653,927)
- Other Income and Expense	(3,063,467)	(57,874,035)
- Income/Loss from Discontinued Operations	(399,258,357)	34,644,754
Changes in Assets and Liabilities:		
- Trade Receivables	(475,493,666)	(408,049,432)
- Other Receivables	138,937,891	(177,458,098)
- Inventories	27,062,977	(98,517,084)
- Other Assets	2,376,684	(2,437,218)
- Trade Payables and Other	278,599,757	467,607,043
- Taxes Payable	(125,281,919)	(55,643,520)
- Other Liabilities	46,750,050	(10,480,719)
- Provisions	(30,747,737)	(23,360,349)
Income Tax and Tax on Assets Payments	(360,027,710)	(617,284,673)
Net Cash Flows Provided by Operating Activities	2,291,943,691	1,577,219,259

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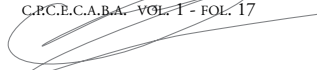
	December 31, 2012	December 31, 2011
Cash provided by investment activities		
- Acquisition of Property, Plant and Equipment, net	(1,382,972,222)	(1,478,115,464)
- Acquisition of Intangible Assets	(73,781,197)	(57,018,157)
- Acquisition of Subsidiaries, Net of Cash Acquired	(15,829,527)	(20,320,921)
- Proceeds from Sale of Property, Plant and Equipment	4,049,536	16,081,665
- Dividends collected	3,415,980	7,591,703
- Collection from Sale of Permanent Establishment of Foreign Companies	738,299,692	-
- Proceeds from Disposal of Long-Term Investments	-	14,470,615
- Certificates of Deposit	(108,489,054)	(10,000,000)
- Collections of Certificates of Deposit	15,419,781	-
Net Cash Flows used in Investment Activities	(819,887,011)	(1,527,310,559)
Cash provided by Financing Activities		
- Loans	158,849,820	861,143,588
- Repayment of Loans and Issue Expenses	(388,699,658)	(208,488,413)
- Payment of Interest	(293,133,497)	(206,425,022)
- Acquisition of investment for the purchase of Notes from Subsidiaries	(195,525,800)	-
- (Settlement) Collections on Derivatives	(6,177,500)	41,790,297
- Payment of Sellers Financing	(6,642,392)	(748,725)
- Dividends Paid	(135,000,000)	(120,000,000)
- (Setup) Transfer of Reserve Account / Escrow Funds	(13,409,252)	5,652,799
- Payments to Non-Controlling Interests, net	(230,279,010)	(185,291,562)
Net Cash Flows (used in) provided by Financing Activities	(1,110,017,289)	187,632,962
Financing results generated by cash and cash equivalents	77,116,220	42,090,041
Net Increase in Cash Flow	439,155,611	279,631,703
Cash and Cash Equivalents at the Beginning of the Year	865,580,054	585,948,351
Cash and Cash Equivalents at Year-end	1,304,735,665	865,580,054

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



Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

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with the report dated March 08, 2013
Price Waterhouse & Co. S.R.L.
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17



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Héctor Horacio Magnetto
Chairman

Notes to the Consolidated Financial Statements

For the years ended
December 31, 2012
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.

Its operations 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. Through its subsidiaries, it is engaged primarily in the following business segments:

- **Cable Television and Internet Access**, consisting of the largest cable network in Latin America in terms of subscribers, operated by its subsidiary Cablevisión (surviving company after its merger with Multicanal and Teledigital), with operations in Argentina and neighboring countries. This company also provides high-speed Internet access under the brands Fibertel and Flash.

- **Printing and Publishing**, consisting of national and regional newspapers, a sports daily, magazine publishing, editing and distribution, and commercial printing. Diario Clarín, the flagship national newspaper, is the newspaper with the second largest circulation in the Spanish-speaking world. The sports daily Olé is the only newspaper of its kind in the Argentine market. The newspaper La Razón is the first ever free newspaper in Argentina. The children's magazine Genios is the children's magazine with the highest circulation in Argentina. AGR is its printing company.

- **Broadcasting and Programming**, consisting of Canal 13, one of the two broadcast television stations with the highest audience share in Argentina, AM (Amplitude Modulation) /FM (Frequency Modulation) radio broadcast stations (Radio Mitre and La 100), and the production of television, film and radio programming content, including cable television signals and organization and broadcasting of sporting events; and

- **Digital Content and Other**, consisting mainly of digital and Internet content, online classified ads and horizontal portals as well as its subsidiary GCGC, its shared service center.

Note 2

Basis for the preparation and presentation of the consolidated financial statements

2.1 Basis for the preparation and transition to IFRS

Pursuant to General Resolution No. 562 issued on December 29, 2009 entitled "Adoption of International Financial Reporting Standards" and General Resolution No. 576/10, the CNV provided for the application of Technical Resolutions No. 26 and 29 issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE, for its Spanish acronym). Since the Company is subject to the public offering regime governed by Law No. 17,811, it is required to apply such standards as from the year beginning January 1, 2012. The FACPCE issues Adoption Communications for the enforcement of IASB resolutions in Argentina.

Accordingly, the Company has started to apply such standards to these consolidated financial statements, being January 1, 2011 the date of transition to IFRS, as established by IFRS 1 "First-time Adoption of IFRS". These consolidated financial statements are the first annual consolidated financial statements presented under IFRS.

These consolidated financial statements of Grupo Clarín for the year ended December 31, 2012, presented on a comparative basis, have been prepared under IFRS 1 "First-time Adoption of IFRS".

The Company's consolidated financial statements were previously prepared in accordance with Argentine Professional Accounting Standards ("NCP ARG"), except for Technical Resolutions No. 26 and 29 which adopt IFRS. NCP ARG differ from the IFRS in some areas. For the preparation of these consolidated financial statements, the Company has changed certain valuation and disclosure accounting policies previously

applied under NCP ARG in order to comply with the IFRS. The main accounting policies are described in the following notes.

The Company has changed the figures disclosed for comparative purposes and those corresponding to the transition date (January 1, 2011) to reflect these adjustments. The mandatory reconciliations are presented in Note 2.2.1.

These consolidated financial statements have been prepared based on historical cost except for the valuation of financial instruments (see Note 2.21). In general, the historical cost is based on the fair value of the consideration granted in exchange for the assets.

The attached consolidated information, approved by the Board of Directors in the meeting held on March 8, 2013, 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 Application of IFRS 1

In preparing the consolidated financial statements as of the transition date under IFRS, the Company has applied the mandatory exceptions and certain optional exemptions in order to fully comply with the IFRS in accordance with IFRS 1. The optional exemptions applied by the Company are the following:

a) Deemed Cost of Property, Plant and Equipment:

The cost of property, plant and equipment, adjusted for inflation in accordance with effective accounting standards, has been considered as the deemed cost at the IFRS transition date, since it is similar to the cost or depreciated cost under IFRS, adjusted to reflect the changes of a general or specific price index.

b) Business Combinations:

The Company has elected not to apply IFRS 3 “Business combinations” on a retrospective basis for business combinations that occurred prior to the IFRS transition date.

c) Accumulated Translation Differences of Foreign Operations:

Accumulated translation differences related to foreign operations were considered null at the IFRS transition date.

The Company has not used the other exemptions available under IFRS 1.

Mandatory Exceptions to IFRS

The mandatory exceptions to IFRS 1 applicable to the Company are detailed below:

1. Estimates: The estimates made by the Company under IFRS at the IFRS transition date are consistent with the estimates made at the same date under NCP ARG.
2. The other mandatory exceptions provided by IFRS 1 that have not been considered since they are not applicable to Grupo Clarín are the following:
 - Derecognition of financial assets and liabilities.
 - Hedge accounting.
 - Embedded derivatives.

2.2.1 Mandatory Reconciliations

Pursuant to FACPCE Technical Resolutions No. 26 and No. 29 and IFRS 1, the following is a detail of the reconciliation of comprehensive income for the year ended December 31, 2011 and the reconciliation of equity as of December 31, 2011 and January 1, 2011 reported under NCP ARG to that reported under IFRS.

2.2.1.1 Reconciliation of net income for the year ended December 31, 2011

December 31, 2011

Net income for the year under NCP ARG (Income)	522,279,377
Effect of transition to IFRS:	
Addition of the item Minority interest under NCP ARG to Comprehensive income for the year	267,152,452
Addition of the variation of Cumulative translation adjustment under NCP ARG to Comprehensive income for the year	86,654,781
Subtotal	876,086,610
Adjustment to inventories valuation ^[1]	(2,288,887)
Adjustment for derecognition of pre-operating expenses ^[2]	209,745
Derecognition of the adjustment for inflation to intangible assets ^[4]	338,918
Recording of put options held by non-controlling interests ^[5]	(960,000)
Adjustment for deferral of installation revenues ^[6]	(24,568,039)
Effect of consolidation of special purpose entities and other companies ^[7]	24,344,769
Derecognition of the adjustment for inflation of certain subsidiaries ^[9]	(16,755,564)
Tax effect of adjustments under IFRS ^[10]	9,413,234
Adjustment to the valuation of unconsolidated affiliates ^[11]	1,190,974
Other minor adjustments	(247,777)
Total comprehensive income for the year under IFRS	866,763,983
Comprehensive income for the year under IFRS attributable to the shareholders of the parent company	552,746,145
Comprehensive income for the year under IFRS attributable to non-controlling interests	314,017,838

2.2.1.2 Reconciliation of equity as of December 31, 2011 and January 1, 2011

	December 31, 2011	January 1, 2011
Shareholders' equity under NCP ARG	3,735,204,430	3,284,857,240
Effect of transition to IFRS:		
Addition of the item Minority interest under NCP ARG to Shareholders' equity	1,037,401,294	918,479,254
Subtotal	4,772,605,724	4,203,336,494
Adjustment to inventories valuation ^[1]	(9,558,846)	(7,269,959)
Adjustment for derecognition of pre-operating expenses ^[2]	(446,476)	(656,221)
Derecognition of exchange differences capitalization ^[3]	(22,904,194)	(22,904,194)
Derecognition of the adjustment for inflation to intangible assets ^[4]	(1,518,634)	(1,857,552)
Recording of put options held by non-controlling interests ^[5]	(18,054,721)	(22,249,442)
Adjustment for deferral of installation revenues ^[6]	(114,740,203)	(90,172,164)
Effect of special purpose entities consolidation ^[7]	73,886,214	49,541,445
Recognition of minority interest acquisition ^[8]	(7,007,606)	-
Derecognition of the adjustment for inflation of certain subsidiaries ^[9]	(16,755,564)	-
Tax effect of adjustments under IFRS ^[10]	44,266,017	34,852,783
Adjustment to the valuation of unconsolidated affiliates ^[11]	(627,693)	(1,818,667)
Other minor adjustments	(1,356,132)	(1,108,355)
Total Shareholders' Equity under IFRS	4,697,787,886	4,139,694,168
Equity under IFRS attributable to the shareholders of the parent company	3,634,142,107	3,203,295,205
Equity under IFRS attributable to non-controlling interests	1,063,645,779	936,398,963

2.2.1.3 Explanation of reconciling items

[1] Pursuant to NCP ARG, the valuation criterion applicable to inventories is replacement cost. In accordance with IFRS, inventories are valued at the lower of historical cost or net realizable value. In the income statement, this adjustment has an impact on the item Cost of sales and on Financial income.

[2] Pursuant to NCP ARG, the Company and its subsidiaries maintained the capitalization under Intangible assets of certain items not accepted by IFRS. Under IFRS, and since such items do not meet the requirements established by those standards for their capitalization, the Company has reversed the residual value against Accumulated Results in the financial statements prepared under IFRS at the transition date. The impact in the Consolidated Statement of Comprehensive Income is disclosed as decreased amortization of such assets due to the reversal in the first financial statements prepared under IFRS.

[3] Under NCP ARG certain exchange

differences arising from the exit from the convertibility regime and subsequent devaluation of the Argentine Peso had been capitalized. Exchange differences cannot be capitalized at the cost of acquisition of non-financial assets under IFRS. Therefore, the residual value of exchange differences included in such assets has been reversed against Accumulated Results in the financial statements prepared under IFRS at the transition date. The foregoing does not have an impact on the Consolidated Statement of Comprehensive Income since they are non-financial assets which are not subject to amortization.

[4] Under NCP ARG the financial statements of all the subsidiaries were adjusted for inflation in periods during which the accounting profession deemed that an inflationary process distorted the figures in the financial statements. The last period in which figures were adjusted for inflation in Argentina was January 2002 to February 2003. Under the criteria set forth by IAS 29, such period should not be considered as hyperinflationary and, therefore, the adjustment

for inflation would not be applicable to the financial statements under IFRS. The intangible assets for which there is not an active market do not fall within the optional exemption provided by IFRS 1 described in Note 2.2.a), which was adopted by the Company. Therefore, the residual value of the adjustment for inflation recorded in such period, contained in the balance of intangible assets, has been reversed against Accumulated Results in the financial statements prepared under IFRS at the transition date. The impact on the Consolidated Statement of Comprehensive Income is disclosed as decreased amortization of such intangible assets.

[5] There are put options held by non-controlling shareholders that may force certain subsidiaries to acquire a portion or all of such equity interests. Under IFRS the Company has to recognize the liability arising from the present value of the best estimate of the amount payable should the non-controlling shareholder exercise the put option. The offsetting entry of such liability is recorded against non-controlling interest based on the percentage of the net assets underlying the option, while the difference between both values is recorded under equity. Such liability had not been recorded in the financial statements in accordance with NCP ARG.

[6] In accordance with NCP ARG the Company adopted as accounting practice for the recognition of revenues from cable TV and Internet installation services the deferral of the amount of these revenues that exceeds the direct expenses incurred to obtain new subscribers in the same period. Under IFRS the Company defers all of the above-mentioned revenues, which are amortized over the average term during which subscribers maintain their subscription to the service, thus generating higher net liabilities from deferred revenues, disclosed under Other current and non-current liabilities. The effect is reflected in the Consolidated Statement of Comprehensive Income, in the sales revenues item.

[7] NCP ARG requires the consolidation of subsidiaries based on the effective or potential equity interests that grant the Company the majority of votes at corporate or shareholders' meetings, including those cases in which control is obtained through agreements executed with other shareholders. IFRS requires the consolidation of special purpose entities in

which control is exerted through other means. One of the Company's indirect subsidiaries has executed certain agreements of this kind with other companies in which it does not hold an equity interest, for the purposes of rendering certain services on behalf of and by order of such companies. The net effect of the assets, liabilities and net income balances consolidated by these entities is disclosed, in accordance with IFRS, under non-controlling interest in Equity and Net Income.

[8] Under NCP ARG the amount in excess of the cost paid during the year 2011 for the acquisition of non-controlling interests in subsidiaries has been recognized as goodwill. Under IFRS, and as established by IAS 27, such amount in excess has been charged to Equity.

[9] In accordance with NCP ARG the balances disclosed in the financial statements of Cablevisión's subsidiaries in Uruguay and Paraguay were adjusted for inflation until the date of transition to IFRS (January 1, 2011) taking into consideration the inflationary context of such countries. IAS 29 requires the adjustment for inflation of financial statements in countries with hyperinflationary economies. Under the criteria set forth by IAS 29, Uruguay and Paraguay's economies should not be considered as hyperinflationary and, therefore, the adjustment for inflation is not applicable to the financial statements under IFRS.

The Company has elected to adopt the optional exemption mentioned in Note 2.2.a) above. Therefore, as from the date of transition to IFRS the adjustment for inflation is no longer applied to such subsidiaries' financial statements. The related items included in the reconciliation of consolidated income arise from the reversal of the adjustment for inflation of these subsidiaries recorded under NCP ARG in each year.

[10] This reconciliation includes the tax effect of the adjustments made in the application of IFRS. The effect of these adjustments is reflected in the Consolidated Statement of Comprehensive Income under income tax.

[11] Generated by the effect of the disclosures made in [1] and [10] above on the affiliates.

In addition to the differences explained above, in the Consolidated Balance Sheet and the Consolidated Statement of Comprehensive

Income under IFRS the assets, liabilities and net income of those companies in which common control is exercised, which were consolidated under the method provided by NCP ARG, are not consolidated under the proportional method because in accordance with IFRS they are disclosed in one item under Investment in Unconsolidated Affiliates of the Consolidated Balance Sheet and under Equity in earnings from affiliates and subsidiaries of the Consolidated Statement of Comprehensive Income (Equity method).

In addition to the breakdown of certain specific items required by IFRS, certain assets and liabilities balances have been reclassified to meet IFRS' disclosure criteria. The most significant reclassifications as of December 31, 2011 and January 1, 2011 are the advances to suppliers for acquisition of property, plant and equipment (in the amount of Ps. 88.8 million and Ps. 33.9 million, respectively) and inventories (in the amount of Ps. 46.4 million and Ps. 27.4 million, respectively), which under NCP ARG, were included in the corresponding balance sheet items, are disclosed, in these financial statements prepared under IFRS, under Other receivables.

2.2.1.4 Reconciliation of cash flows arising from the consolidated financial statements as of December 31, 2011

No other significant differences have been identified in the Consolidated Statement of Cash Flows or in the definition of Cash and cash equivalents between NCP ARG and IFRS, except for the impact of the deconsolidation of subsidiaries in which common control is exerted, which in accordance with IFRS have not been consolidated under the proportional method but disclosed as net in one item, and except for the information mentioned in [7] of Note 2.2.1.3 above.

2.3 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 year ended December 31, 2012:

- IAS 19 Employee Benefits: Since the Company has not established to date defined benefit plans for its employees and officers, this standard will not have an impact on the Company's financial statements.

- Certain improvements to IFRS issued in May 2012 by IASB which clarify some of the international accounting standards (IFRS 1 First-time adoption of the International Financial Reporting Standards, IAS 1 Presentation of financial statements, IAS 16 Property, Plant and Equipment, IAS 32 Financial Instruments: Presentation and IAS 34 Interim financial reporting).

- IFRS 9 Financial Instruments: Issued in November 2009 and amended in October 2010, IFRS 9 establishes new requirements for the classification and measurement of financial assets and liabilities and for their derecognition. IFRS 9 is applicable to the years beginning on or after January 1, 2015, and allows for its early application. The changes may not significantly affect the amounts disclosed regarding the Company's financial assets and liabilities.

- IFRS 10 Consolidated Financial Statements: Defines the concept of control and establishes control as the basis for determining which entities are to be consolidated in the consolidated financial statements. The Board of Directors informs that IFRS 10 will be adopted in the Company's financial statements for the annual period beginning on January 1, 2013. The changes may not significantly affect the disclosed amounts that relate to the Company's assets and liabilities.

- IFRS 11 Joint Arrangements: Classifies joint arrangements either as joint operations (combining the existing concepts of assets under common control and operations under common control) or as joint ventures (equivalent to the existing concepts of entities under common control). IFRS 11 requires the use of the equity method for joint ventures and it also eliminates the proportional consolidation method for this type of businesses. The Board of Directors informs that IFRS 11 will be adopted in the Company's financial statements for the annual period beginning on January 1, 2013. The changes will probably not significantly affect the amounts of assets and liabilities and the disclosures in the Company's financial statements.

- IFRS 12 Disclosure of interests in other entities: Applies to entities with an interest in subsidiaries, joint arrangements, associates or unconsolidated structured entities. IFRS 12 establishes disclosure objectives, as well as the

minimum disclosures to be presented. The Board of Directors informs that IFRS 12 will be adopted in the Company's financial statements for the annual period beginning on January 1, 2013. The Company is analyzing the potential impact of this standard.

- IFRS 13 Fair Value Measurement: Establishes a structure for the measurement at fair value when required by other standards and the disclosure requirements for measurement at fair value. This IFRS is applicable to both financial and non-financial items measured at fair value. The Board of Directors informs that IFRS 13 will be adopted in the Company's financial statements for the annual period beginning on January 1, 2013. The Company is analyzing the potential impact of this standard.

- Amendments to IAS 1 Presentation of financial statements. The main amendment to IAS 1 requires that items of other comprehensive income be grouped into those that may and may not be subsequently reclassified to profit or loss. The amendments to IAS 1 do not specify which items are to be disclosed in other comprehensive income. This amendment will be effective for annual periods beginning as from July 1, 2012. The Company is analyzing the potential impact of this standard.

- Amendments to IFRS 7 and IAS 32. The IASB has amended the application guidance to IAS 32 Financial Instruments: Presentation to

clarify some of the requirements to offset financial assets and liabilities in the balance sheet. The IASB has also issued an amendment to IAS 7, Financial Instruments: Disclosures to enhance offsetting disclosures. These amendments will be effective for annual periods beginning as from January 1, 2013. The Company is analyzing the potential impact of this standard.

2.4 Basis for Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries and the joint ventures in which it holds an interest (see Note 2.7). The Company exerts control when it has the power to decide on the financial and operating policies of an entity for the purposes of obtaining benefits from its activities, generally coupled with a participation of more than 50% of the voting rights. Additionally, these consolidated financial statements incorporate the companies mentioned in 2.4.1.

For consolidation purposes, the intercompany transactions and the balances between the Company and the consolidated companies have been eliminated. Unrealized income has also been eliminated.

Below is a detail of the most relevant consolidated subsidiaries, together with the interest percentages held directly or indirectly in each subsidiary's capital stock and votes, as of each date indicated below:

Companies	Direct or Indirect Interest in the Capital Stock and Votes (%)		
	December 31, 2012	December 31, 2011	January 1, 2011
Cablevisión ⁽¹⁾	59.9%	59.9%	59.9%
PRIMA	59.9%	59.9%	59.9%
AGEA	100.0%	100.0%	100.0%
AGR	100.0%	100.0%	100.0%
CIMECO	100.0%	100.0%	100.0%
ARTEAR ⁽²⁾	99.2%	99.2%	99.2%
Pol-Ka	54.6%	54.6%	54.6%
IESA	100.0%	100.0%	100.0%
Radio Mitre	100.0%	100.0%	100.0%
GCGC	100.0%	100.0%	100.0%
CMD	100.0%	100.0%	100.0%
GC Services	100.0%	100.0%	100.0%
GCSA Investments	100.0%	100.0%	100.0%

(1) Includes Multicanal and Teledigital, which were merged into Cablevisión effective as of October 1, 2008.

(2) Interest in votes amounts to 99.7%.

The subsidiaries' financial statements used for consolidation purposes bear the same closing date as these consolidated financial statements, comprise the same periods and have been prepared under exactly the same accounting policies as those used by the Company, which are described in the notes to the consolidated financial statements or, as the case may be, adjusted as applicable.

2.4.1 Consolidation of Special Purpose Entities

The Company, through one of its subsidiaries, has executed certain agreements with other companies, for the purposes of rendering on behalf of and by order of such companies certain selling and installation services, collections, administration of subscribers, marketing and technical assistance, financial and general business advising, with respect to cable television and Internet access services in Uruguay. In accordance with SIC-12 "Consolidation of Special Purpose Entities", these consolidated financial statements include the assets, liabilities and results of these companies. Since the Company does not hold an interest in these companies, the offsetting entry of the net effect of the consolidation of the assets, liabilities and results of these companies is disclosed in the items "Equity attributable to non-controlling interests" and "Net Income attributable to non-controlling interests", as required by IFRS.

2.4.2 Changes in the Company's Interests in Existing Subsidiaries

The changes in the Company's interests in subsidiaries which do not generate a loss of control are recorded under equity. The book value of the Company's interests and non-controlling interests is adjusted to reflect the changes in the relative interest in the subsidiary. Any difference between the amount for which non-controlling interests were adjusted and the fair value of the consideration paid or received is directly recognized in equity and attributed to the shareholders of the parent company.

In case of loss of control, any residual interest in the issuing company is measured at its fair value at the date on which control was lost, allocating the change in the recorded value with an impact on net income. The fair value is the initial amount recognized for such investments for the purposes of its subsequent valuation for the interest retained as associate,

joint venture or financial instrument.

Additionally any amount previously recognized in Other Comprehensive Income regarding such investments is recognized as if Grupo Clarín had disposed of the related assets and liabilities. Consequently, the amounts previously recognized in Other Comprehensive Income may be reclassified to net income.

2.5 Business Combinations

The Company applies the acquisition method to account for business combinations. The consideration for each acquisition is measured at fair value (on the date of exchange) of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by the Company in exchange for the control of the company acquired. The costs related to the acquisition are expensed as incurred.

The consideration for the acquisition, if any, includes any asset or liability arising from a contingent consideration arrangement, measured at fair value at the acquisition date. Subsequent changes to such fair value, verified within the measurement period, are adjusted against the acquisition cost.

The measurement period is the actual period that begins on the acquisition date and ends as soon as the Company receives all the information it was seeking about facts and circumstances that existed as of the acquisition date. The measurement period cannot exceed one year from the acquisition date. All other changes in the fair value of the contingent consideration classified as assets or liabilities, outside the measurement period, are recognized in net income. Changes in the fair value of the contingent consideration classified as equity are not recognized.

In the case of business combinations achieved in stages, the Company's equity interest in the company acquired is remeasured at fair value at the acquisition date (i.e., the date on which the Company acquired control) and the resulting gain or loss, if any, is recognized as income/expense or in other comprehensive income, depending on the origin of the variation. In the periods preceding the reporting periods, the Company may have recognized in other comprehensive income the changes in the value of the interest in the capital stock of the acquired company. In that case, the amount

recognized in other comprehensive income is recognized on the same basis that would have been required if the Company had directly disposed of the previously-held equity interest.

The identifiable assets, liabilities and contingent liabilities of the acquired company that meet the conditions for recognition under IFRS 3 (2008) are recognized at fair value at the acquisition date, except for certain particular cases provided by such standard.

Any excess of the acquisition cost (including the interest previously held, if any, and the non-controlling interest) over the net fair value of the subsidiary's or associate's identifiable assets, liabilities and contingent liabilities measured at the acquisition date is recognized as goodwill. Any excess of the net fair value of the identifiable assets, liabilities and contingent liabilities over the acquisition cost is immediately recognized in net income.

The acquisition cost comprises the consideration transferred, the amount of any non-controlling interest and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, if any.

The Company initially recognizes any non-controlling interest as per its share in the amounts recognized for the net identifiable assets of the acquiree.

2.6 Investment in Associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associate, generally accompanied by a 20%-50% holding of the voting power, but does not entail control or joint control over those policies.

The associates' net income and the assets and liabilities are disclosed in the consolidated financial statements using the equity method, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations". Under the equity method, the investment in an associate is to be initially recorded at cost and the book value will be increased or decreased to recognize the

investor's share in the comprehensive income for the year or in other comprehensive income obtained by the associate, after the acquisition date. The distributions received from the associate will reduce the book value of the investment.

Any excess of the acquisition cost over the Company's share in the net fair value of the associate's identifiable assets, liabilities and contingent liabilities measured at the acquisition date is recognized as goodwill. Goodwill is included in the book value of the investment and tested for impairment as part of the investment. Any excess of the Company's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the acquisition cost, after its measurement at fair value, is immediately recognized in net income.

Unrealized gains or losses on transactions between the Company (and subsidiaries) and the associates are eliminated considering the Company's interest in the associates.

Adjustments were made, where necessary, to the associates' financial statements so that their accounting policies are in line with those used by the Company.

Investments in companies in which the company does not have control or significant influence have been valued at cost, as established by IAS 39.

In the cases where non-controlling shareholders hold put options whereby they may force the Company to acquire shares of subsidiaries, and the Company reasonably estimates that such put options will be duly exercised, the Company discloses the present value of the corresponding future payments under Other Liabilities.

2.7 Interests in Joint Ventures

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control, i.e., when the financial strategy and the operating decisions related to the company's activities require the unanimous consent of the parties sharing control.

Joint venture arrangements that entail the establishment of an independent entity in which each company holds an interest are called jointly controlled entities. The Company, in

accordance with IAS 31 "Interests in Joint Ventures", has applied the equity method to measure its holding in the jointly controlled entity and discloses its holdings in such entities under Investment in unconsolidated affiliates.

In the cases of joint business arrangements executed through Uniones Transitorias de Empresas ("UTE"), or jointly controlled operations according to IAS 31, the Company recognizes in its financial statements on a line-by-line basis the assets, liabilities and net income subject to joint control in proportion to its share in such arrangements.

These consolidated financial statements include the balances of the UTEs, among them, Ertach S.A. - Prima S.A. Unión Transitoria de Empresas, FEASA - S.A. La Nación Unión Transitoria de Empresas and AGEA S.A. - S.A. La Nación - UTE, in which the Company and/or its subsidiaries hold an interest.

2.8 Goodwill

Goodwill arises from the acquisition of subsidiaries and refers to the excess of the cost of acquisition over the net fair value at the date of acquisition of the identifiable assets acquired and liabilities assumed. The Company initially recognizes any non-controlling interest as per its interest percentage in the amounts recognized for the net identifiable assets of the acquired company.

If, upon measurement at fair value, the Company's share in the fair value of net identifiable assets of the acquired company exceeds the amount of the consideration transferred, the amount of any non-controlling interest in such company and the fair value of the acquirer's previous non-controlling interest in the acquiree (if any), such excess is immediately recognized in the statement of comprehensive income as a gain arising from a very advantageous acquisition.

Goodwill is not amortized, but tested for impairment on an annual basis. For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units expected to render benefits from the synergies of the respective business combination. Those cash-generating units to which goodwill is allocated are tested for impairment on an annual basis, or more frequently, when there is any

indication of impairment. If the recoverable value of the cash-generating unit, i.e. the higher of the value in use or the fair value net of selling expenses, is lower than the value of the net assets allocated to that unit, including goodwill, the impairment loss is first allocated to reduce the goodwill allocated to the unit and then to the other assets of the unit, on a pro rata basis, based on the valuation of each asset in the unit. The impairment loss recognized against the valuation of goodwill is not reversed under any circumstance.

In case of a loss of control in the subsidiary, the amount attributable to goodwill is included in the calculation of the corresponding gain or loss.

As mentioned in Note 9, the recoverability of certain goodwill could be affected by the final outcome of the circumstances described in such note.

2.9 Revenue Recognition

Revenues are recognized when the amount of revenues may be reliably estimated, when future economic benefits are likely to be obtained by the Company, and when specific criteria are met for each of Grupo Clarín's activities, as described below.

Revenues for each of the main business segments identified by the Company are recognized when the following conditions are met.

- Cable Television and Internet Access

Sales of cable or Internet services subscriptions are recognized as revenues for the period in which the services are rendered. Revenues from the installation of these services are accrued over the average term during which clients maintain their subscription to the service.

Advertising sales revenues are recognized in the period in which advertising is published or broadcast.

Revenues from transactions that include more than one item have been recognized separately to the extent they have commercial substance on their own. The amount of revenues allocated to each item is based on its fair value, which is assessed or estimated at market value.

Revenues from the sale of assets are recognized only when the risks and benefits arising

from the use of the disposed assets have been transferred, the amount of revenues may be fairly estimated, and the Company is likely to obtain economic benefits (see Note 19).

Installment sales are recognized at the value of future income discounted at a market rate assessed at the beginning of the transaction.

- Printing and Publishing

Advertising sales are determined by the prices achieved per single column centimeter and the number of advertising centimeters sold in the relevant period. Circulation sales include the price received from the sale of newspapers, magazines and other publications. Printing services sales consist mainly of fees received from the printing of magazines, books, brochures and related products.

Advertising sales from newspapers and magazines are recognized when advertising is published. Revenues from the sale of newspaper and magazines are recognized upon passing control to the buyer. The Company records the estimated impact of returns, calculated based on historical trends, as a deduction from revenues. Revenues from printing services are recognized upon completion of the services, delivery of the related products and customer acceptance.

- Broadcasting and Programming

TV and radio advertising sales revenues are recognized when advertising is broadcast. Revenues from programming and distribution of television content are recognized when the programming services are provided.

2.10 Barter Transactions

The Company, through its subsidiaries, sells a small portion of its advertising spaces in exchange for goods or services received. Revenues are recorded when the advertisement is made, valued at the fair value of the goods or services received, in the case of goods and other services advertising barter transactions, or delivered, in the case of advertising-for-advertising barter transactions. Goods or services are recorded at the time goods are received or services are rendered. The goods or services to be received in consideration for the advertisements made are recorded as Trade Receivables. The advertisements to be made in exchange for the goods and services received are recorded as Trade Payables and Other.

2.11 Leases

Leases are classified as financial leases when the terms of the lease transfer to the lessee substantially all the risks and benefits inherent to the property. All other leases are classified as operating leases.

The assets held under financial leases are recognized at the lower of the fair value of the Company's leased assets at the beginning of the lease term, or the present value of the minimum lease payments. The liability held with the lessor is included in the balance sheet as an obligation under financial leases recorded under Debt.

Lease payments are apportioned between the finance charge and the reduction of the liabilities under the lease so as to achieve a constant interest rate on the outstanding balance. The finance charge is expensed over the lease term.

The assets held under financial leases are depreciated over the shorter of the useful life of the assets or the lease term.

Rentals under operating leases are charged to income on a straight line basis over the corresponding lease term.

2.12 Foreign Currency and Functional Currency

The financial statements of each of the entities consolidated by the Company are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the net income and the financial position of each entity are stated in Argentine Pesos (Argentina's legal tender for all companies domiciled in Argentina), which is the Company's functional currency, and the reporting currency of the consolidated financial statements. The functional currency of the indirectly controlled Uruguayan, Paraguayan and Brazilian companies, are the Uruguayan Peso, the Guarani and the Real, respectively.

In preparing the financial statements of the individual entities, the transactions in currencies other than the entity's functional currency (foreign currency) are recorded at the exchange rates prevailing on the dates on which transactions are carried out. At the end of each reporting year, the monetary items denominated in foreign currency are retranslated at the exchange rates prevailing on such date.

Exchange differences are charged to net income as incurred.

In preparing the Company's consolidated financial statements, the assets and liabilities balances of the entities which functional currencies is not the Argentine Peso, stated in their own functional currency (Uruguayan Peso, Guarani and Real) are translated to Argentine pesos at the exchange rate prevailing at the end of the year, while the net income is translated at the exchange rate prevailing on the transaction date. Translation differences are recognized in other comprehensive income as "Variation in Translation Differences of Foreign Operations".

2.13 Financial Costs

Financial costs directly attributable to the acquisition, construction or production of assets that require a substantial period of time to prepare for their intended use or sale ("qualifying assets"), are capitalized until they are ready for their intended use or sale.

The income, if any, on the temporary investment of the specific borrowings incurred to finance qualifying assets is deducted from the financial costs to be capitalized.

All other financial costs are charged to net income as incurred.

2.14 Taxes

The income tax charge reflects the sum of current income tax and deferred income tax.

2.14.1 Current and Deferred Income Tax for the year

Current and deferred taxes are recognized as expense or income for the year, except when they are related to entries debited or credited to other comprehensive income or equity, in which cases taxes are also recognized in other comprehensive income or directly in equity, respectively. In the case of a business combination, the tax effect is taken into consideration in the calculation of goodwill or in the determination of the excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

2.14.2 Current Tax

Current tax payable is based on the taxable income recorded during the year. Taxable income

and net income reported in the consolidated statement of comprehensive income differ due to revenue or expense items that are taxable or deductible in other fiscal years and items that are never taxable or deductible. The current tax liability is calculated using the tax rate in effect as of the date of these consolidated financial statements. Current tax charge is calculated based on the tax rules effective in the countries in which the consolidated entities operate.

2.14.3 Deferred Tax

Deferred tax is recognized on temporary differences between the book value of the assets and liabilities included in these financial statements and the corresponding tax basis used to determine taxable income. Deferred tax liabilities are generally recognized for all temporary fiscal differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is likely that future taxable income will be available against which those deductible temporary differences can be charged. These assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

The book value of a deferred tax asset is reviewed at each reporting year and reduced to the extent that it is no longer likely that sufficient taxable income will be available in the future to allow for the recovery of all or part of the asset.

Deferred tax is recognized on temporary differences arising from investments in foreign subsidiaries.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applicable in the year in which the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting year, to recover or settle the book value of its assets and liabilities.

Deferred tax assets are offset against deferred tax liabilities if effective regulations allow to offset, before the tax authorities, the amounts

recognized in those items; and if the deferred tax assets and liabilities arise from income taxes levied by the same tax authority and the Company intends to settle its assets and liabilities on a net basis.

Under the IFRS, deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

2.14.4 Tax on Assets

In Argentina, the tax on assets (impuesto a la ganancia mínima presunta) is supplementary to income tax. The Company assesses this tax at the effective rate of 1% on the taxable assets at year-end. The Company's tax liability for each year will be equal to the higher of the tax on assets assessment or the income tax liability assessed at the legally effective rate on the estimated taxable income for the year. However, if the tax on assets exceeds the income tax liability in any given fiscal year, the excess may be creditable against any excess of income tax liability over the tax on assets in any of the following ten fiscal years.

The tax on assets balance has been capitalized in these consolidated financial statements for the amount estimated to be recoverable within the statute of limitations, based on the subsidiaries' current business plans.

2.15 Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods and services, or for administrative purposes, are recorded at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation of property, plant and equipment in use is recognized on a straight-line basis over its estimated useful life.

The estimated useful life, residual value and depreciation method are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

Works in process are recorded at cost less any recognized impairment loss. The cost includes professional fees and, in the case of qualifying assets, capitalized financial costs in accordance with the Company's accounting policy (Note 2.13). Depreciation of these assets, as well as in the case of other property, plant and equipment, begins when the assets are ready for their use.

Assets held under financial leases are depreciated over the shorter of their estimated useful life equal to the rest of the other similar assets or over the lease term.

Repair and maintenance expenses are expensed as incurred.

The gain or loss arising from the retirement or disposal of an item of property, plant and equipment is calculated as the difference between income from the sale of the asset and the asset's book value, and recognized under "Other Income and Expense, net" in the statement of comprehensive income.

The residual value of an asset is written down to its recoverable value, if the asset's residual value exceeds its estimated recoverable value (see Note 2.17).

2.16 Intangible Assets

Intangible assets include trademarks and patents, exclusivity agreements, licenses, software and other rights, the purchase value of the subscriber portfolio, projects in-progress (mainly related to software development) and other intangible assets. The accounting policies regarding the recognition and measurement of such intangible assets are described below.

2.16.1 Intangible Assets Acquired Separately

Intangible assets acquired separately are valued at cost, net of the corresponding accumulated amortization and impairment losses. Amortization is calculated on a straight line basis over the estimated useful life of the intangible assets. The Company reviews the useful lives applied, the residual value and the amortization method are reviewed at each year-end, and accounts the effect of any changes in estimates on a prospective basis.

Assets held under financial leases are depreciated over the shorter of their estimated useful life, which is equal to the rest of the other similar assets, or over the lease term.

2.16.2 Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are identified and recognized separately regarding goodwill when they meet the definition of intangible assets and their fair value

can be measured reliably. Such intangible assets are recognized at fair value at acquisition date.

After the initial recognition, intangible assets acquired in a business combination are valued at cost net of accumulated amortization and impairment losses, with the same basis as intangible assets acquired separately.

2.16.3 Internally Generated Intangible Assets

Internally generated intangible assets arising from the development phase of an internal project are recognized if certain conditions are met, among them, technical feasibility to complete the development of the intangible asset and the intent to complete such development.

The amount initially recognized for internally generated intangible assets comprises all the expenses incurred as from the moment all the intangible assets meet the above-mentioned recognition criteria. Where it is not possible to recognize an internally generated intangible asset, the development expenses are recognized in the statement of comprehensive income in the year in which they are incurred.

After the initial recognition, internally developed intangible assets are valued at cost net of accumulated amortization and impairment losses, with the same basis as intangible assets acquired separately.

Such assets are included under software and projects in-progress.

2.17 Impairment of Non-Financial Assets, Except Goodwill

At the end of each financial statement, the Company reviews the book value of its non-financial assets with definite useful life to determine the existence of any evidence indicating that these assets could be impaired. If there is any indication of impairment, the recoverable value of these assets is estimated for the purposes of determining the amount of the impairment loss (in case the recoverable value is lower than the book value). Where it is not possible to estimate the recoverable value of an individual asset, the Company estimates the recoverable value of the cash-generating unit ("CGU") to which such asset belongs. Where a consistent and reasonable allocation base can be identified, corporate assets are also allocated

to an individual cash-generating unit or, otherwise, to the smallest group of cash-generating units for which a consistent allocation base can be identified.

The recoverable value of an asset is the higher of the fair value less selling expenses or its value in use. In measuring value in use, estimated future cash flows are discounted at their present value using a pre-tax discount rate, which reflects the current market assessments of the time value of money and, if any, the risks specific to the asset for which estimated future cash flows have not been adjusted.

Assets with an indefinite useful life (for example, non-financial assets unavailable for use) are not amortized, but are tested for impairment on an annual basis.

Non-financial assets, except for goodwill, for which an impairment loss was recorded, are reviewed at each closing date for a possible reversal of the impairment loss.

2.18 Inventories

Inventories are valued at the lower of acquisition cost and/or production cost or the net realizable value. The cost is determined under the weighted average price method.

The production cost is determined under the cost absorption method, which comprises raw materials, labor and other costs directly related to the production of goods. The net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make such sale.

The criterion followed to expense each of these inventory items is as follows:

- Film Rights (series, soap operas and films) and programs purchased:

The cost of series, soap operas and programs purchased to be shown on broadcast television is mainly expensed against the cost of sales on the exhibition date or upon expiration of exhibition rights. Rights related to these programs acquired in perpetuity, if any, are amortized over their estimated useful life (eight years, with a grace period of three years and are subsequently amortized on a straight-line basis over the next five years).

Films are expensed against the cost of sales on a decreasing basis, based on the number of showings granted by the respective rights or upon expiration of exhibition rights.

Film rights acquired in perpetuity for broadcasting by the Volver channel are amortized over their estimated useful life (seven years, with a grace period of four years. They are subsequently amortized on a decreasing basis over the next three years).

- In-house production programs and co-productions:

The cost of in-house production programs and co-productions is mainly expensed against the cost of sales after broadcasting of the chapter or program. Rights related to in-house production programs and co-productions acquired in perpetuity, if any, are amortized over their estimated useful life (eight years, with a grace period of three years and are subsequently amortized on a straight-line basis over the next five years).

- Events:

The cost of events is fully expensed against the cost of sales at the time of broadcasting.

The allowance for impairment is calculated based on the recoverability analysis conducted at the closing of each year. The values thus obtained do not exceed their respective recoverable values estimated at the closing of each year.

2.19 Other Assets

The assets included in this item have been valued at acquisition cost.

Investments denominated in foreign currency subject to restrictions on disposition under financial covenants have been valued at face value plus interest accrued as of each year-end.

2.20 Accruals and Other

Accruals and the provision for asset retirement are recognized when the Company has a present obligation (be it legal or constructive) as a result of a past event, when it is likely that an outflow of resources will be required to settle the obligation and when the amount of the obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting year, taking into consideration the corresponding risks and uncertainties. Where a provision is measured using the estimated cash flow to settle the present obligation, its book value represents the present value of such cash flow.

In estimating its obligations, the Company has taken into consideration the opinion of its legal advisors, if any.

2.21 Financial Instruments

2.21.1 Financial Assets

Purchases and sales of financial assets are recognized at the transaction date when the Company undertakes to purchase or sell the asset, and is initially measured at fair value, plus transaction costs, except for those financial assets classified at fair value with changes in the statement of income, which are initially measured at fair value.

2.21.1.1 Classification of Financial Assets

Financial assets are classified within the following specific categories: “financial assets at fair value with changes in net income”, “held-to-maturity investments” and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined on initial recognition.

2.21.1.2 Recognition and Measurement of Financial Assets

2.21.1.2.1 Financial Assets at Fair Value with Changes in Net Income

Financial assets at fair value with changes in net income are recorded at fair value, recognizing any gain or loss arising from the measurement in the consolidated statement of comprehensive income. The net gain or loss recognized in net income includes any gain or loss generated by the financial asset and is included in the item financial income and cost in the consolidated statement of comprehensive income.

The assets designated in this category are classified as current assets if they are expected to be traded within 12 months; otherwise, they are classified as non-current assets.

The fair value of these assets is calculated based on the current quoted market price of these instruments.

2.21.1.2.2 Held-to-maturity Investments

Held-to-maturity investments are measured at amortized cost using the effective interest rate method less any impairment, if any.

The effective interest rate method calculates the amortized cost of a financial asset or liability and the allocation of financial income or cost over the whole corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument to the net book value of the financial asset or liability on its initial recognition.

Balances in foreign currency were translated at the exchange rate prevailing at the closing of year for the settlement of these transactions. Foreign exchange differences were charged to net income for each year.

2.21.1.2.3 Loans and Receivables

Loans and trade receivables with fixed or determinable payments not traded in an active market are classified as “trade receivables and other”. Trade receivables and other are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method, less any impairment, if any. Interest income is recognized using the effective interest rate method, except for short-term balances for which the recognition of interest is not significant.

Loans and receivables are classified as current assets, except for the maturities exceeding 12 months from the closing date.

Loans in foreign currency have been valued as mentioned above, at the exchange rates prevailing as of each year-end. Foreign exchange differences were charged to net income for each year.

2.21.1.3 Impairment of Financial Assets

The Company tests financial assets or a group of assets for impairment at each closing date to assess if there is any objective evidence of impairment. The value of a financial asset or

a group of assets is impaired, and an impairment loss is recognized, where there is objective evidence of the impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event or events have an impact on the estimated future cash flows of the financial asset or a group of assets, which may be reliably measured.

The objective evidence of impairment may include, among others, significant financial difficulties of the issuer or obligor; or breach of contractual terms, such as default or delinquency in interest or principal payments.

For certain categories of financial assets, such as accounts receivable and other receivables, the assets that are not impaired on an individual basis are tested for impairment on a collective basis. The objective evidence of impairment of a receivables portfolio includes the Company's past collection experience, an increase in the number of delinquent payments in the receivables portfolio, as well as observable changes in the local economic situation affecting the recoverability of receivables.

Where there is objective evidence of an impairment loss in the value of loans granted, receivables or held-to-maturity investments recorded at amortized cost, the loss amount is measured as the difference between the book value and the present value of estimated future cash flows (without including future non-incurred losses), discounted at the original effective interest rate of the financial asset. The asset's book value is written down under a contra asset account. The loss amount is recognized in net income for the year.

If, in subsequent periods, the impairment loss amount decreases and such decrease can be objectively related to an event occurring after the impairment has been recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed. A loss reversal can only be recorded to the extent the financial asset's book value does not exceed the amortized cost that would have been determined if the impairment loss had not been recorded at the reversal date. The reversal amount is recognized in net income for the year.

2.21.1.4 Derecognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows of such assets expire or when it transfers the financial asset and, therefore, all the risks and benefits inherent to the ownership of the financial asset are transferred to another entity. If the Company retains substantially all the risks and benefits inherent to the ownership of the transferred asset, it will continue to recognize it and will recognize a liability for the amounts received.

2.21.2 Financial Liabilities

Financial liabilities, except for derivatives, are valued at amortized cost using the effective interest rate method.

2.21.2.1 Debt

Debt is initially valued at fair value net of the transaction costs incurred, and subsequently valued at amortized cost using the effective interest rate method. Any difference between the initial value net of the transaction costs and the settlement value is recognized in the income statement over the term of the loan using the effective interest rate method. Interest expense has been allocated to "Financial Costs" in the consolidated statement of comprehensive income, except for the portion allocated to the cost of works under construction recorded under "Property, Plant and Equipment".

Debt maturing within the 12 months preceding the closing date is classified as current and those maturing within the 12 months following the closing date are classified as non-current.

Loans in foreign currency have been valued as mentioned above, at the exchange rates prevailing as of each year-end. Foreign exchange differences were charged to net income for each year.

2.21.2.2 Trade Payables and Other

Trade payables with fixed or determinable payments not traded in an active market are classified as "Trade Payables and Other".

Trade Payables and Other are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Interest expense is recognized using the effective interest rate method, except for short-term balances for which the recognition of interest is not significant.

Trade Payables and Other are classified as current, except for the maturities exceeding 12 months from the closing date.

Trade payables in foreign currency have been valued as mentioned above, at the exchange rates prevailing as of each year end. Foreign exchange differences were charged to net income for each year.

2.21.2.3 Derecognition of Financial Liabilities

An entity shall derecognize a financial liability (or part of it) when it has been extinguished, i.e., when the obligation specified in the corresponding agreement is discharged, cancelled or expires

2.21.3 Derivatives and Hedge Accounting

The Company executes certain financial instruments to manage its exposure to interest rate and exchange risks, including foreign currency hedges, interest rate swaps and currency swaps.

Derivatives are initially recognized at fair value at the date of execution of the related contract and subsequently measured at fair value at the end of the reporting year. The resulting gain or loss is immediately recognized in net income unless the derivative is designated as a hedging instrument, in which case the timing for its recognition will depend on the nature of the hedging relationship. The Company uses certain derivatives to hedge the fair value of its recognized liabilities (fair value hedge).

The Company documents at the beginning of the transaction the existing relationship between the hedging instruments and the hedged items, as well as its objectives to manage risk and the strategy to carry out hedge transactions. The Company also documents its assessment, both at the beginning and on an ongoing basis, of the high effectiveness of its hedging transactions to offset the changes in the fair value of the hedged items.

The fair value of hedging derivatives is fully classified as a non-current asset or liability if the hedged item matures in more than 12 months, and as a current asset or liability if the hedged item matures within 12 months.

Fair Value Hedge

Changes in the fair value of derivatives designated and classified as fair value hedges are charged to net income, together with any change in the fair value of a hedged liability attributable to the hedged risk. The Company only applies fair value hedge accounting to cover the exchange rate fluctuations of the liabilities it holds in foreign currency. The gain or loss relating to the effective portion of foreign currency forward contracts is charged to net income under Financial Costs. The loss or gain related to the ineffective portion, if any, is charged to net income under Other Income and Expense, net. Changes in the fair value of the Company's hedged liabilities denominated in foreign currency, attributable to the risk detailed above, are charged to net income under Financial Costs.

2.21.4 Refinancing of Indebtedness

Liabilities arising from the restructuring of financial debts have been initially valued at fair value and will be subsequently measured at amortized cost using the effective interest rate method.

2.22 Other Liabilities

Advances from customers involving obligations to deliver assets that have not yet been produced have been valued at the higher of the amounts received or the share in the estimated value of the related assets.

The other liabilities have been valued at nominal value, which does not differ significantly from its discounted value.

2.23 Assets and liabilities held for sale

Non-current assets and liabilities (or disposal groups) are classified as assets and liabilities held for sale where their value will be mostly recovered through the sale thereof, to the extent such sale is highly likely to occur. These assets and liabilities are valued at the lower of book value and fair value less cost of sales.

2.24 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, high liquidity short-term investments (with original maturities shorter than 90 days), and bank overdrafts payable on demand, if any, are deducted to the extent they are part of the Company's cash management.

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

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

	December 31, 2012	December 31, 2011
Cash and Banks	623,395,314	629,155,403
Investments:		
- Financial Instruments	291,086,164	176,821,592
- Securities	80,951	4,680,000
- Mutual Funds	390,173,236	54,923,059
Cash and Cash Equivalents	1,304,735,665	865,580,054

In the years ended December 31, 2012 and 2011, the following significant transactions were carried out, which did not have an impact on cash and cash equivalents:

	December 31, 2012	December 31, 2011
Dividends collected through debt settlement	14,473,092	295,708
Debt settlement through reserve account	-	60,459,379
Interest settlement through reserve account	13,255,633	8,041,871

2.25 Distribution of Dividends

The distribution of dividends to the Company's shareholders is recognized as a liability in the financial statements for the year in which the distribution of dividends is approved by the Shareholders' Meeting.

determination by the entity of the future cash flows that should arise from the cash generating units and an appropriate discount rate to calculate the present value.

During this year, no impairment losses have been recorded for goodwill.

Note 3

Accounting estimates and judgments

In applying the accounting policies described in Note 2, the Company has to make judgments and prepare accounting estimates of the value of the assets and liabilities which may not be otherwise obtained. 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 year in which estimates are reviewed.

These estimates basically refer to:

Allowance for Bad Debts

The Company calculates the allowance for bad debts for debt instruments that are not valued at fair value, taking into account the uncollectibility history, the opinion of its legal advisors, if any, and other circumstances known at the time of calculation.

Impairment of Goodwill

The Company assesses goodwill for impairment on an annual basis. In determining if there is impairment of goodwill, the Company calculates the value in use of the cash generating units to which it has been allocated. The calculation of the value in use requires the

Recognition and Measurement of Deferred Tax Items

Deferred tax assets are only recognized for temporary differences to the extent that it is likely that each entity, on an individual basis, will have enough future taxable income against which the deferred tax assets can be used. Tax loss carryforwards from prior years are only recognized when it is likely that each entity will have enough future taxable income against which they can be used.

Pursuant to effective regulations, the use of the subsidiaries' tax credits is based on a projection analysis of future income.

The Company examines the recoverable value of deferred tax assets based on its business plans and books a valuation allowance, if appropriate, so that the net position of the deferred tax asset will reflect the probable recoverable value.

Determination of the Useful Lives of Property, Plant and Equipment and Intangible Assets

The Company reviews the estimated useful life of property, plant and equipment and intangible assets at each year-end.

Measurement of the fair value of certain financial instruments

The fair value of a financial instrument is the amount at which the instrument could be purchased or sold between knowledgeable, willing parties in an arm's length transaction. If there is a quoted market price available for an

instrument in an active market, the fair value is calculated based on that price.

If there is no quoted market price available for a financial instrument, its fair value is estimated based on the price established in recent transactions involving the same or similar instruments and, otherwise, based on valuation techniques regularly used in financial markets. The Company uses its judgment to select a variety of methods and makes assumptions based on market conditions at closing.

Impairment losses of certain assets other than accounts receivable (including property, plant and equipment and intangible assets)

Certain assets, including property, plant and equipment and intangible assets are subject to impairment testing. The Company records impairment losses when it estimates that there is objective evidence of such losses or when the cost of such losses will not be recovered through future cash flows. The evaluation of what constitutes impairment is a matter of significant judgment. The impairment of non-financial assets is dealt with in more depth in Note 2.17.

Additionally, as mentioned in Note 9, these estimates could be affected by the final outcome of the circumstances described in such note.

Note 4

Segment information

The Company is mainly engaged in media and entertainment activities, which are carried out through the companies in which it holds a participating interest. Based on the nature, clients, and risks involved, the following business segments have been identified, which are directly related to the way in which the Company assesses its business performance:

- Cable Television & Internet Access: mainly comprises the operations of its subsidiary Cablevisión and its subsidiaries, notably PRIMA.
- Printing & Publishing: mainly comprises the operations of its subsidiary AGEA and its subsidiaries AGR, Cúspide, Tinta Fresca, CIMECO and their respective subsidiaries.
- Broadcasting and Programming: mainly comprises the operations of its subsidiaries ARTEAR, IESA and Radio Mitre, and their

respective subsidiaries, including Telecom, Telba, Pol-Ka, Auto Sports ⁽¹⁾, Grupo Carburando.

- Digital Content and Other: mainly comprises the operations of its controlled companies CMD and subsidiaries, OSA and AGEA S.A. - S.A. La Nación - UTE. Additionally, this segment includes the Company's own operations (typical of a holding company) and those carried out by its controlled company GCGC.

(1) During the year ended December 31, 2010, Automóviles Deportivos 2000 S.A. changed its corporate name to Auto Sports S.A.

The Company has adopted IFRS 8 - Segment Information, which defines operating segments as those identified based on internal reports with respect to the components of the company regularly reviewed by the Board of Directors, the main operating decisions maker, to allocate resources and assess their performance. The Company uses adjusted EBITDA to measure its performance. The Company believes that adjusted EBITDA is a significant performance measure of its businesses, since it is commonly used in the industry to analyze and compare media companies based on operating performance, indebtedness and liquidity. However, adjusted EBITDA does not measure net income or cash flows generated by operations and should not be considered as an alternative to net income, an indication of the Company's financial performance, an alternative to cash flows generated by operating activities or a measure of liquidity. Since adjusted EBITDA is not defined by IFRS, it is possible that other companies may calculate it differently. Therefore, the adjusted EBITDA reported by other companies may not be comparable to the Company's reported adjusted EBITDA.

The following tables include the information as of December 31, 2012 and 2011, prepared on the basis of IFRS, for the business segments identified by the Company. The information as of December 31, 2011 is presented in accordance with IFRS for comparative purposes with the information as of December 31, 2012, used by the Company's Board of Directors for decision making.

Note 1 to these consolidated financial statements includes additional information about the Company's businesses.

	Cable Television and Internet Access	Printing and Publishing
Information arising from consolidated income statements as of December 31, 2012		
Net Sales to Third Parties ⁽³⁾	7,751,364,335	2,228,647,910
Intersegment Sales	16,136,265	157,022,771
Net Sales	7,767,500,600	2,385,670,681
Cost of sales (excluding depreciation and amortization)	(3,175,358,106)	(1,383,507,738)
Subtotal	4,592,142,494	1,002,162,943
Expenses - excluding depreciation and amortization		
- Selling Expenses	(931,203,580)	(401,925,540)
- Administrative Expenses	(1,018,161,169)	(370,327,233)
Adjusted EBITDA	2,642,777,745	229,910,170
Depreciation of Property, Plant and Equipment		
Amortization of Intangible Assets and Film Library ⁽⁴⁾		
Financial Income		
Financial Costs		
Equity in Earnings from Affiliates and Subsidiaries		
Other Income and Expense, net		
Income Tax and Tax on Assets		
Income for the Year from Continuing Operations		
Income/Loss from Discontinued Operations		
Net Income for the Year		
Additional consolidated information as of December 31, 2012		
Acquisition of Property, Plant and Equipment	1,292,701,983	24,615,910
Acquisition of Intangible Assets	46,866,931	18,132,143
Ordinary Income from Foreign Operations	513,881,902	-
Non-Current Assets Held Abroad	479,054,769	4,193,587

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

(2) Recognition of revenues from cable TV and Internet installation services and transactions including separate items and the non-consolidation of special purpose entities and income/loss from discontinued operations.

(3) Includes also sales to unconsolidated companies.

(4) Amortization of film rights acquired in perpetuity, mentioned in Note 2.18.

Broadcasting and Programming	Digital Content and Other	⁽¹⁾ Deletions	⁽²⁾ Adjustments	Consolidated
1,332,201,543	172,579,277	-	(165,886,972)	11,318,906,093
116,801,283	191,220,223	(481,180,542)	-	-
1,449,002,826	363,799,500	(481,180,542)	(165,886,972)	11,318,906,093
(1,025,066,804)	(166,204,284)	172,800,786	(135,662,805)	(5,712,998,951)
423,936,022	197,595,216	(308,379,756)	(301,549,777)	5,605,907,142
(93,812,427)	(65,031,750)	135,755,285	16,059,292	(1,340,158,720)
(194,071,863)	(132,763,546)	172,624,471	49,628,526	(1,493,070,814)
136,051,732	(200,080)	-	(235,861,959)	2,772,677,608
				(726,074,731)
				(146,281,481)
				162,251,896
				(1,078,405,434)
				13,682,715
				639,370
				(524,876,069)
				473,613,874
				498,717,214
				972,331,088
51,840,730	13,813,599	-	-	1,382,972,222
388,595	8,393,528	-	-	73,781,197
-	-	-	(234,015,395)	279,866,507
22,819	-	-	-	483,271,175

	Cable Television and Internet Access	Printing and Publishing
Information arising from consolidated income statements as of December 31, 2011		
Net Sales to Third Parties ⁽³⁾	6,116,084,891	1,971,129,853
Intersegment Sales	8,853,952	118,037,571
Net Sales	6,124,938,843	2,089,167,424
Cost of sales (excluding depreciation and amortization)	(2,568,208,135)	(1,178,170,612)
Subtotal	3,556,730,708	910,996,812
Expenses - excluding depreciation and amortization		
- Selling Expenses	(705,853,333)	(354,132,757)
- Administrative Expenses	(770,611,073)	(297,210,749)
Adjusted EBITDA	2,080,266,302	259,653,306
Depreciation of Property, Plant and Equipment		
Amortization of Intangible Assets and Film Library ⁽⁴⁾		
Financial Income		
Financial Costs		
Equity in Earnings from Affiliates and Subsidiaries		
Other Income and Expense, net		
Income Tax and Tax on Assets		
Income for the Year from Continuing Operations		
Income/Loss from Discontinued Operations		
Net Income for the Year		
Additional consolidated information as of December 31, 2011		
Acquisition of Property, Plant and Equipment	1,366,879,166	31,710,933
Acquisition of Intangible Assets	42,690,395	7,921,085
Ordinary Income from Foreign Operations	422,627,529	-
Non-Current Assets Held Abroad	356,269,268	3,299,650
Additional consolidated information as of January 1, 2011		
Non-Current Assets Held Abroad	271,600,000	2,212,858

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

(2) Recognition of revenues from cable TV and Internet installation services and transactions including separate items and the non-consolidation of special purpose entities and income/loss from discontinued operations.

(3) Includes also sales to unconsolidated companies.

(4) Amortization of film rights acquired in perpetuity, mentioned in Note 2.18.

Broadcasting and Programming	Digital Content and Other	⁽¹⁾ Deletions	⁽²⁾ Adjustments	Consolidated
1,159,896,142	105,749,161	-	(27,621,431)	9,325,238,616
108,813,451	177,210,276	(412,915,250)	-	-
1,268,709,593	282,959,437	(412,915,250)	(27,621,431)	9,325,238,616
(792,149,237)	(124,970,514)	134,122,397	(156,158,305)	(4,685,534,406)
476,560,356	157,988,923	(278,792,853)	(183,779,736)	4,639,704,210
(85,486,201)	(55,587,497)	135,135,571	20,567,031	(1,045,357,186)
(138,368,981)	(102,968,300)	143,657,282	46,773,358	(1,118,728,463)
252,705,174	(566,874)	-	(116,439,347)	2,475,618,561
				(613,264,887)
				(152,213,859)
				102,687,565
				(684,773,400)
				33,653,927
				1,507,210
				(425,031,671)
				738,183,446
				47,426,493
				785,609,939
73,289,674	6,235,691	-	-	1,478,115,464
73,175	6,333,502	-	-	57,018,157
-	-	-	(237,768,734)	184,858,795
22,819	-	-	-	359,591,737
22,819	-	-	-	273,835,677

Note 5

Breakdown of the main items of the Balance Sheet

5.1. Property, Plant and Equipment

Main Account	Balance at the Beginning	Cumulative Translation Adjustment
Real Property	560,661,368	2,237,767
Furniture and Fixtures	94,576,763	5,686,293
Telecommunication, Audio and Video Equipment	207,702,279	(1,257,467)
External Network and Broadcasting Equipment	3,124,430,025	94,355,326
Computer Equipment	448,586,820	(20,629,023)
Technical Equipment	82,231,104	10,750
Workshop Machinery	576,501,207	(19,321,179)
Tools	51,691,676	1,187,979
Spare Parts	38,294,224	(140,016)
Installations	410,056,024	24,264,007
Vehicles	169,813,640	2,857,943
Plots	17,308,504	(1,091,139)
Materials in Warehouse	475,181,484	(220,489)
Works-In-Progress	492,241,898	7,277,047
Leasehold Improvements	30,683,673	1,136,462
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	(15,889,991)	(1,232,159)
Total as of December 31, 2012	6,764,070,698	95,122,102

Main Account	Balance at the Beginning	Acquisitions of Businesses
Real Property	233,026,534	-
Furniture and Fixtures	76,655,149	-
Telecommunication, Audio and Video Equipment	172,175,870	-
External Network and Broadcasting Equipment	1,133,612,422	-
Computer Equipment	370,075,023	-
Technical Equipment	56,207,633	-
Workshop Machinery	515,981,059	-
Tools	39,001,843	-
Spare Parts	31,276,424	-
Installations	315,853,110	-
Vehicles	114,297,624	-
Plots	14,370,726	-
Materials in Warehouse	3,756,661	-
Works-In-Progress	-	-
Leasehold Improvements	22,762,084	-
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	(257,512)	-
Total as of December 31, 2012	3,098,794,650	-

(1) Includes Ps. 24.6 million from discontinued operations.

				Historical value
				Balances as of
Additions	Acquisitions of Businesses	Retirements	Transfers	December 31, 2012
7,454,055	-	(16,176,711)	6,368,006	560,544,485
6,066,393	-	(5,586,803)	459,568	101,202,214
9,543,257	-	(10,089)	6,858,628	222,836,608
481,903,365	-	(571,419,736)	654,520,104	3,783,789,084
58,504,139	-	(3,574,677)	12,237,972	495,125,231
14,954,738	-	-	7,286,695	104,483,287
24,820,439	-	(6,385)	-	581,994,082
1,262,875	-	(1,159,121)	14,451,163	67,434,572
6,088,435	-	-	-	44,242,643
6,690,610	-	(19,202)	(1,510,534)	439,480,905
11,967,892	2,028,250	(7,868,292)	28,760	178,828,193
559,659	-	-	-	16,777,024
716,503,557	-	(159,616,414)	(452,093,442)	579,754,696
194,879,040	-	(7,168,856)	(253,500,088)	433,729,041
64,928	-	(13,915)	4,893,168	36,764,316
-	-	-	-	(17,122,150)
1,541,263,382	2,028,250	(772,620,201)	-	7,629,864,231

			Accumulated Depreciation	Net Book Value as of
Cumulative Translation Adjustment	Retirements	⁽¹⁾ For the year	Balances as of December 31, 2012	December 31, 2012
443,947	(6,584,161)	11,125,302	238,011,622	322,532,863
3,622,745	(3,669,919)	4,365,530	80,973,505	20,228,709
(238,810)	(3,084)	12,403,331	184,337,307	38,499,301
92,287,026	(463,950,539)	591,536,657	1,353,485,566	2,430,303,518
3,757,738	(2,192,342)	50,844,075	422,484,494	72,640,737
1,518,561	-	7,809,296	65,535,490	38,947,797
3,144,055	-	9,073,882	528,198,996	53,795,086
1,099,549	(795,759)	13,490,878	52,796,511	14,638,061
(27,187)	-	3,695,782	34,945,019	9,297,624
17,651,871	(20,533)	21,159,395	354,643,843	84,837,062
2,509,886	(6,237,189)	18,694,168	129,264,489	49,563,704
823,450	-	278,283	15,472,459	1,304,565
(1,817,868)	-	-	1,938,793	577,815,903
114,383	-	-	114,383	433,614,658
1,205,208	-	6,210,371	30,177,663	6,586,653
-	-	-	(257,512)	(16,864,638)
126,094,554	(483,453,526)	750,686,950	3,492,122,628	4,137,741,603

Main Account	Balance at the Beginning	Cumulative Translation Adjustment
Real Property	550,239,665	2,642,092
Furniture and Fixtures	86,854,029	2,362,532
Telecommunication, Audio and Video Equipment	181,796,149	-
External Network and Broadcasting Equipment	2,360,138,148	61,459,306
Computer Equipment	403,596,252	1,330,398
Technical Equipment	76,878,683	-
Workshop Machinery	556,803,249	-
Tools	38,731,286	382,671
Spare Parts	33,995,586	-
Installations	401,899,963	(549,939)
Vehicles	130,662,151	1,447,310
Plots	15,212,403	-
Materials in Warehouse	468,918,319	6,107,668
Works-In-Progress	163,354,444	(458,734)
Leasehold Improvements	27,678,047	(1,131,923)
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	(15,889,991)	-
Total as of December 31, 2011	5,480,868,383	73,591,381

Main Account	Balance at the Beginning	Acquisitions of Businesses
Real Property	219,359,814	389,319
Furniture and Fixtures	69,575,055	1,384,352
Telecommunication, Audio and Video Equipment	157,723,085	-
External Network and Broadcasting Equipment	895,854,722	-
Computer Equipment	317,705,844	-
Technical Equipment	50,845,316	-
Workshop Machinery	507,661,741	-
Tools	27,469,299	-
Spare Parts	28,402,478	-
Installations	247,420,554	2,017,124
Vehicles	101,804,421	41,535
Plots	13,378,472	-
Materials in Warehouse	1,125,400	-
Works-In-Progress	-	-
Leasehold Improvements	19,987,351	-
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	(255,842)	-
Total as of December 31, 2011	2,658,057,710	3,832,330

(1) Includes Ps. 21.1 million from discontinued operations.

				Historical value Balances as of December 31, 2011
Additions	Acquisitions of Businesses	Retirements	Transfers	
7,043,303	389,319	(7,544,159)	7,891,148	560,661,368
3,817,498	1,459,461	(424,337)	507,580	94,576,763
25,992,740	-	(86,610)	-	207,702,279
393,656,318	-	(240,705,793)	549,882,046	3,124,430,025
38,982,412	-	(93,892)	4,771,650	448,586,820
2,447,301	-	-	2,905,120	82,231,104
5,084,473	-	(2,404,135)	17,017,620	576,501,207
560,955	-	-	12,016,764	51,691,676
4,298,638	-	-	-	38,294,224
4,865,691	2,654,585	(562,623)	1,748,347	410,056,024
39,197,915	62,114	(1,555,850)	-	169,813,640
1,774,019	-	-	322,082	17,308,504
822,437,615	-	(122,448,308)	(699,833,810)	475,181,484
231,422,683	-	(1,427,135)	99,350,640	492,241,898
716,736	-	-	3,420,813	30,683,673
-	-	-	-	(15,889,991)
1,582,298,297	4,565,479	(377,252,842)	-	6,764,070,698

Cumulative Translation Adjustment	Retirements	⁽¹⁾ For the year	Accumulated Depreciation Balances as of December 31, 2011	Net Book Value as of December 31, 2011
1,355,406	(1,637,649)	13,559,644	233,026,534	327,634,834
1,684,925	(1,824)	4,012,641	76,655,149	17,921,614
-	(4,431)	14,457,216	172,175,870	35,526,409
41,451,879	(238,424,972)	434,730,793	1,133,612,422	1,990,817,603
1,226,735	(240,434)	51,382,878	370,075,023	78,511,797
-	-	5,362,317	56,207,633	26,023,471
-	(1,122,005)	9,441,323	515,981,059	60,520,148
191,419	-	11,341,125	39,001,843	12,689,833
-	-	2,873,946	31,276,424	7,017,800
(621,227)	(301,481)	67,338,140	315,853,110	94,202,914
1,065,032	(1,545,662)	12,932,298	114,297,624	55,516,016
-	-	992,254	14,370,726	2,937,778
233,417	-	2,397,844	3,756,661	471,424,823
-	-	-	-	492,241,898
(714,067)	-	3,488,800	22,762,084	7,921,589
-	-	(1,670)	(257,512)	(15,632,479)
45,873,519	(243,278,458)	634,309,549	3,098,794,650	3,665,276,048

The following table details the average years of useful life of the items comprising Property, Plant and Equipment:

Item	Average Useful Life (in years)
Real Property	50
Furniture and Fixtures	10
Telecommunication, Audio and Video Equipment	between 3 and 4
External Network and Broadcasting Equipment	between 3 and 20
Computer Equipment	3
Technical Equipment	between 4 and 10
Workshop Machinery	10
Tools	5
Spare Parts	5
Installations	between 3 and 10
Vehicles	5
Plots	5
Leasehold Improvements	between 3 and 10

5.2. Intangible Assets

Main Account	Balance at the Beginning	Cumulative Translation Adjustment
Exploitation Rights and Licenses	30,925,198	(5,321,989)
Exclusivity Agreements	15,091,041	-
Other Rights	10,232,330	4,733,893
Subscriber Portfolio		
Acquired	1,073,157,424	853,750
Software	44,386,515	1,357,349
Trademarks and Patents	4,708,704	39,440
Projects in-Progress	64,126,242	-
Other	92,282,003	(4,113,285)
Total as of December 31, 2012	1,334,909,457	(2,450,842)

Main Account	Balance at the Beginning
Exploitation Rights and Licenses	25,174,499
Exclusivity Agreements	7,572,521
Other Rights	8,584,087
Subscriber Portfolio Acquired	589,349,285
Software	14,129,660
Trademarks and Patents	3,615,679
Projects in-Progress	-
Other	64,315,511
Total as of December 31, 2012	712,741,242

(1) Includes Ps. 2.1 million from discontinued operations.

				Historical value Balances as of December 31, 2012
Additions	Acquisition of Businesses	Retirements	Transfers	
3,805,868	-	(1,617,047)	-	27,792,030
-	2,000,000	-	-	17,091,041
490,032	-	-	-	15,456,255
-	-	-	-	1,074,011,174
11,549,930	-	-	105,855,476	163,149,270
926,074	-	-	3,847	5,678,065
41,733,081	-	-	(105,859,323)	-
15,276,254	-	-	-	103,444,972
73,781,239	2,000,000	(1,617,047)	-	1,406,622,807

			Accumulated Amortization Balances as of December 31, 2012	Net Book Value as of December 31, 2012
Cumulative Translation Adjustment	Retirements	⁽¹⁾ For the year		
(6,033,789)	(1,617,047)	5,162,954	22,686,617	5,105,413
-	-	1,478,489	9,051,010	8,040,031
1,521,086	-	1,800,314	11,905,487	3,550,768
725,688	-	108,907,211	698,982,184	375,028,990
725,936	-	21,771,223	36,626,819	126,522,451
39,440	-	307,120	3,962,239	1,715,826
-	-	-	-	-
(1,083,429)	-	5,395,208	68,627,290	34,817,682
(4,105,068)	(1,617,047)	144,822,519	851,841,646	554,781,161

Main Account				Historical value
	Balance at the Beginning	Cumulative Translation Adjustment	Additions	Balances as of December 31, 2011
Exploitation Rights and Licenses	26,003,097	2,174,561	2,747,540	30,925,198
Exclusivity Agreements	15,091,041	-	-	15,091,041
Other Rights	10,232,330	-	-	10,232,330
Subscriber Portfolio Acquired	1,073,157,424	-	-	1,073,157,424
Software	29,212,128	-	15,174,387	44,386,515
Trademarks and Patents	3,962,143	-	746,561	4,708,704
Projects in-Progress	32,338,944	-	31,787,298	64,126,242
Other	81,228,476	4,782,685	6,270,842	92,282,003
Total as of December 31, 2011	1,271,225,583	6,957,246	56,726,628	1,334,909,457

Main Account	Balance at the Beginning	Cumulative Translation Adjustment	Accumulated Amortization		Net Book Value as of December 31, 2011
			(1) For the year	Balances as of December 31, 2011	
Exploitation Rights and Licenses	20,933,603	2,226,208	2,014,688	25,174,499	5,750,699
Exclusivity Agreements	6,047,419	-	1,525,102	7,572,521	7,518,520
Other Rights	7,192,963	-	1,391,124	8,584,087	1,648,243
Subscriber Portfolio Acquired	480,963,481	-	108,385,804	589,349,285	483,808,139
Software	5,123,864	-	9,005,796	14,129,660	30,256,855
Trademarks and Patents	3,091,403	-	524,276	3,615,679	1,093,025
Projects in-Progress	-	-	-	-	64,126,242
Other	32,739,451	4,781,666	26,794,394	64,315,511	27,966,492
Total as of December 31, 2011	556,092,184	7,007,874	149,641,184	712,741,242	622,168,215

(1) Includes Ps. 0.2 million from discontinued operations.

5.3 Goodwill

Company assesses the recoverability of goodwill considering each company for which it records goodwill as a different cash generating unit ("CGU").

The recoverable amount of each CGU has been determined as per its value in use, calculated based on operating cash flows estimated in the financial budgets approved by Management, which comprise a period ranging from one to three years. Cash flows not included in those periods are projected using a growth rate, assessed based on statistical data and historical indicators of Argentina, which does not exceed the long-term average growth of each business.

The gross margin used in each case for the calculation of the value in use allocated to each CGU arises from budgets prepared by each business for the period under consideration, which are in line with the historical data and the expectations regarding market development and evolution of the respective businesses.

The discount rate used in each case for the calculation of the value in use allocated to each CGU takes into account the risk-free rate, the country risk premium and the premium for risks specific to each business, and the indebtedness structure of each CGU. In particular, the annual discount rate applied to the projections of Cablevisión's cash flows is of approximately 12%.

Main Account	Net Book Value before Impairment	Allowance for Goodwill impairment	Net balances as of December 31, 2012	Net balances as of December 31, 2011	Net balances as of January 1, 2011
Cablevisión and subsidiaries ⁽¹⁾	3,113,063,902	(594,075,234)	2,518,988,668	2,468,927,313	2,439,579,895
PRIMA	2,272,319	-	2,272,319	2,272,319	2,272,319
CIMECO and related companies	235,982,248	(54,637,313)	181,344,935	181,344,935	180,286,033
Cúspide and subsidiaries	19,059,775	-	19,059,775	20,658,344	-
Telecor	39,173,062	-	39,173,062	39,173,062	39,173,062
Grupo Carburando	12,053,573	(12,053,573)	-	-	12,053,573
Pol-Ka	16,130,769	(6,850,727)	9,280,042	9,280,042	9,280,042
Telba	3,774,071	-	3,774,071	3,774,071	3,774,071
Bariloche TV	1,844,621	-	1,844,621	1,844,621	1,844,621
Other	21,816,329	(533,130)	21,283,199	12,380,419	11,913,663
Total	3,465,170,669	(668,149,977)	2,797,020,692	2,739,655,126	2,700,177,279

(1) Includes goodwill of Multicanal and Teledigital, merged into Cablevisión (see Note 8.1.d).

5.4 Investment in Unconsolidated Affiliates

	Interest (%)	December 31, 2012	December 31, 2011	January 1, 2011
Papel Prensa	49.00%	186,458,231	192,758,928	183,478,623
Ver TV S.A.	49.00%	15,656,650	15,656,650	15,656,650
TPO	47.00%	10,822,223	10,822,223	10,822,223
TATC	49.99%	6,797,511	6,722,931	5,847,539
Ríos de Tinta	50.00%	4,193,587	3,299,650	2,212,858
La Capital Cable	49.00%	10,972,032	14,984,238	6,218,710
TSMA	49.10%	10,060,515	10,060,515	10,060,515
AGL	50.00%	12,893,886	12,248,866	10,557,366
Ideas del Sur	30.00%	17,410,671	17,035,581	17,038,283
Patagonik	33.33%	11,943,978	11,275,049	11,006,235
Canal Rural	24.99%	3,638,207	3,804,125	3,308,642
TSC	50.00%	5,132,164	5,172,979	4,988,625
TRISA	50.00%	64,646,211	56,459,568	48,267,997
Impripost	50.00%	11,552,623	10,208,824	10,021,155
Other Investments		17,034,100	17,163,544	6,355,262
		389,212,589	387,673,671	345,840,683

Equity in Earnings from Affiliates and Subsidiaries

	December 31, 2012	December 31, 2011
TRISA	8,186,642	14,236,069
Papel Prensa	(5,477,205)	8,108,820
La Capital Cable	10,255,856	8,765,532
AGL	466,521	1,199,222
Canal Rural	1,088,911	1,495,467
Ríos de Tinta	70,55	1,284,187
Impripost	2,401,324	1,650,086
VLG	(6,307,465)	(4,561,061)
Other Companies	2,997,579	1,475,605
	13,682,715	33,653,927

The financial information related to unconsolidated companies (without considering those valued at cost) is summarized below (in millions of Argentine pesos):

	December 31, 2012	December 31, 2011
Total Assets	1,138	1,195
Total Liabilities	471	493
Net Assets	667	702
Total Income for the year	1,476	1,213
Net Income for the year	92	96

5.5 Other Investments

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Financial Instruments	99,597,125	-	-
Securities	-	109,855	177,403
	99,597,125	109,855	177,403
Current			
Financial Instruments	291,086,164	187,585,566	70,304,156
Securities	4,373,191	4,680,000	-
Mutual Funds	390,173,236	54,923,059	183,712,486
Other	-	-	10,948,000
	685,632,591	247,188,625	264,964,642

5.6 Inventories

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Film Products and Rights	13,929,652	13,139,000	21,340,016
	13,929,652	13,139,000	21,340,016
Current			
Raw Materials and Supplies	235,229,897	246,420,485	182,787,800
Products-in-Process	1,951,575	973,397	2,161,336
Finished Goods	28,553,958	37,578,897	16,258,546
Film Products and Rights	83,078,087	89,184,383	50,408,628
Other	71,801	199,126	987,735
Subtotal	348,885,318	374,356,288	252,604,045
Less: Allowance for Impairment of Inventories	(6,111,369)	(3,176,265)	(511,490)
	342,773,949	371,180,023	252,092,555

5.7 Other Assets

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Works of Art	533,010	533,010	533,010
Other	1,363,632	1,013,754	1,671,606
	1,896,642	1,546,764	2,204,616
Current			
Reserve Account	-	-	71,436,282
Other	7,362,757	11,467,311	7,158,212
	7,362,757	11,467,311	78,594,494

5.8 Other Receivables

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Tax Credits	29,071,847	28,146,558	21,600,642
Guarantee Deposits	2,393,139	1,155,599	883,017
Prepaid Expenses	32,049,057	64,974,448	11,296,558
Advances	46,706,040	83,676,404	33,307,668
Related Parties (Note 16)	17,312,664	15,238,424	13,744,482
Other	1,237,685	12,038,746	15,056,093
	128,770,432	205,230,179	95,888,460
Current			
Tax Credits	98,979,763	129,996,025	54,576,609
Court-ordered and			
Guarantee Deposits	12,958,195	11,595,055	9,522,069
Prepaid Expenses	108,944,242	75,569,941	52,613,247
Advances	68,271,431	91,800,802	69,431,355
Derivatives	-	-	37,348,003
Related Parties (Note 16)	20,091,695	4,685,406	15,638,455
Sundry Receivables	20,997,255	19,391,074	11,665,045
Other	72,735,694	40,085,710	30,034,629
Allowance for Other Bad Debts	(712,582)	(727,212)	(669,023)
	402,265,693	372,396,801	280,160,389

5.9 Trade Receivables

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Trade Receivables	125,285,473	122,595,188	1,102,833
	125,285,473	122,595,188	1,102,833
Current			
Trade Receivables	1,720,125,393	1,298,234,683	1,031,842,249
Related Parties (Note 16)	42,893,260	39,453,675	34,261,001
Allowance for Bad Debts	(124,468,622)	(113,098,423)	(112,095,450)
	1,638,550,031	1,224,589,935	954,007,800

5.10 Cash and Banks

	December 31, 2012	December 31, 2011	January 1, 2011
Cash and Imprest Funds	13,891,570	14,991,530	9,834,327
Cash at Banks	609,503,744	614,163,873	322,423,510
	623,395,314	629,155,403	332,257,837

5.11 Accruals and Other

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Provisions for Lawsuits			
and Contingencies	244,711,114	184,197,422	151,347,261
Accrual for Retirement of Assets	10,127,840	8,841,590	8,600,000
	254,838,954	193,039,012	159,947,261

5.12 Loans

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Financial Loans	24,532,325	127,765,988	111,642,658
Notes	2,576,671,000	2,583,977,500	1,964,840,968
Acquisition of equipment	131,042,046	90,419,726	31,452,148
Related Parties (Note 16)	5,775,689	5,717,866	5,083,272
Interest and Restatement	-	37,900	75,800
Measurement at Fair Value	(54,726,838)	(58,609,546)	4,492,370
	2,683,294,222	2,749,309,434	2,117,587,216
Current			
Bank Overdraft	25,938,501	51,328,110	9,979,032
Financial Loans	130,633,167	118,613,980	41,614,044
Notes	165,200,000	129,000,000	133,904,847
Acquisition of equipment	70,085,470	40,266,383	33,555,473
Related Parties (Note 16)	13,316,320	13,264,292	5,093,485
Interest and Restatement	95,037,331	86,023,776	33,137,578
Measurement at Fair Value	3,873,880	3,935,489	3,333,740
	504,084,669	442,432,030	260,618,199

The following table details the changes in loans and indebtedness for the year ended December 31, 2012 and the prior year:

	2012	2011
Balances as of January 1 st	3,191,741,464	2,378,205,415
New Loans and Indebtedness ⁽¹⁾	160,647,673	861,143,588
Accrued Interest	304,446,963	253,298,050
Other Financial Effects	437,066,953	214,434,150
Acquisition of investment for the purchase of Notes from Subsidiaries (Note 23)	(195,525,800)	-
Payment of Interest	(304,037,904)	(205,370,104)
Payment of Principal	(402,949,658)	(268,947,792)
Repurchase / Financial Debt Refinancing Result ⁽²⁾	(4,010,800)	(41,021,843)
Balances as of December 31	3,187,378,891	3,191,741,464

(1) Mostly loans for the purchase of capital assets and inventories.

(2) As of December 31, 2012 it belongs to the repurchase of Notes, issued by Cablevisión, carried out on June 12, 2012 and September 21, 2012, charged to financial income in the Consolidated Statement of Comprehensive Income. As of December 31, 2011 it belongs to the refinancing of Notes, issued by Cablevisión, carried out on February 11, 2011, charged to financial income in the Consolidated Statement of Comprehensive Income.

The following table summarizes the maturities of consolidated loans (undiscounted values):

Non-Current Debt	To fall due					Total Non-Current
	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	More than 5 years	
Financial Loans	10,891,571	8,373,669	3,075,805	2,191,280	-	24,532,325
Notes	666,112,000	432,960,000	828,159,000	432,960,000	216,480,000	2,576,671,000
Acquisition of equipment	65,540,353	53,477,556	12,024,137	-	-	131,042,046
Related Parties	5,775,689	-	-	-	-	5,775,689
Total as of December 31, 2012	748,319,613	494,811,225	843,258,942	435,151,280	216,480,000	2,738,021,060

Current Loans	To fall due					Total Current
	Up to 3 months	From 3 to 6 months	From 6 to 9 months	From 9 months to 1 year		
Bank Overdraft	22,017,092	3,921,409	-	-	-	25,938,501
Financial Loans	42,333,760	73,659,254	11,829,767	2,810,386	-	130,633,167
Notes	41,300,000	41,300,000	41,300,000	41,300,000	-	165,200,000
Acquisition of equipment	12,489,066	17,470,365	24,434,749	15,691,290	-	70,085,470
Related Parties	5,416,324	7,899,996	-	-	-	13,316,320
Interest and Restatement	93,046,994	1,990,337	-	-	-	95,037,331
Total as of December 31, 2012	216,603,236	146,241,361	77,564,516	59,801,676	500,210,789	

Consolidated loans mainly include the following:

5.12.1 Cablevisión

The most significant bank and financial loans borrowed by Cablevisión and its subsidiaries are the following:

Date Issued	Borrower	Principal Amount	Balances as of	Balances as of	Final Maturity	Interest Rate
			December 31, 2012	December 31, 2011		
In millions of USD						
February 2011	⁽¹⁾ Cablevisión	88.2	87.4	88.2	February 2018	⁽³⁾ 8.75%
February 2011	⁽¹⁾ Cablevisión	71.3	70.6	71.3	February 2018	⁽³⁾ 9.375%
February 2011	⁽¹⁾ Cablevisión	223.3	221.0	223.3	February 2018	⁽³⁾ 9.625%
February 2011	⁽²⁾ Cablevisión	17.2	17.1	17.2	February 2018	⁽³⁾ 9.375%
May 2011	⁽²⁾ Cablevisión	50.0	37.5	50.0	May 2014	Libor + 7.5%
May 2011	⁽²⁾ Prima	70.0	12.5	70.0	May 2014	Libor + 7.5%
December 2003	Multicanal	80.3	80.3	80.3	July 2016	⁽³⁾ 3.5% to 4.5%

(1) Use of funds: Refinancing of Notes.

(2) Use of funds: Acquisition of non-financial assets and financing of imports (Note 23).

(3) Fixed rate.

As a result of the Notes issued, Cablevisión has undertaken certain covenants, including: (i) limitation on the issuance of guarantees by subsidiaries; (ii) mergers, consolidations, and sale of assets under certain conditions, (iii) limitation on incurring debt above certain approved ratios, (iv) limitation on capital expenditure exceeding certain amount, (v) limitation on transactions with shareholders and affiliates under certain conditions, (vi) limitation on the issuance and sale of significant subsidiaries' shares with certain exceptions.

As a result of the issue of its variable-rate Notes, PRIMA has undertaken certain covenants, including the limitation to carry out transactions with shareholders and affiliates under certain conditions. Cablevisión is the guarantor of the issue and the obligor for the payment of PRIMA's Notes for up to USD 35,000,000.

5.12.2 AGEA

On January 28, 2004, the subsidiary AGEA issued USD30.6 million aggregate principal amount Series C Notes due 2014, which accrue interest at an incremental fixed rate (2% from December 17, 2003 to January 28, 2008; 3% from January 29, 2008 to January 28, 2012; and 4% from January 29, 2012 to maturity), payable semiannually. Principal will be repaid in a lump sum on January 28, 2014.

On January 26, 2006, AGEA issued Ps. 300 million aggregate principal amount Series D Notes due 2014, which accrued interest at a variable rate equal to the CER variation for the period, plus a 4.25% margin, payable semiannually commencing on June 15, 2006. Principal was repaid in 8 equal and consecutive semiannual installments beginning on June 15, 2008.

As of December 31, 2011 AGEA had repaid in full principal under Series D Notes, plus interest accrued thereon.

The Series C Notes due 2014 include certain covenants and restrictions, including but not limited to, restrictions on borrowings, creation of encumbrances, mergers, disposition of significant assets, transactions with affiliates (including the Company) and payment of dividends or other payments to shareholders

(including the payment of management fees to the Company), if certain ratios are not met or if certain amounts are exceeded.

Additionally, on July 15, 2011, AGEA executed a syndicated loan agreement in the amount of Ps. 45 million with Standard Bank Argentina S.A. and Banco Itaú Argentina S.A., which accrues interest at a fixed annual rate of 18.45% payable on a quarterly basis as from October 18, 2011. Principal will be repaid in five consecutive quarterly installments beginning on July 18, 2012.

5.12.3 GCGC

As of December 31, 2012 GCGC was the borrower under a loan with Banco de la Ciudad de Buenos Aires executed to finance the repair, recycling and improvement of the building for a principal amount of up to Ps. 30 million. Such loan will be repaid in 60 months, as from October 2012, with a 24-month grace period, i.e. in 36 monthly consecutive installments, accruing interest at the average Badlar rate for Private Banks plus 100 basic points. The aggregate amount of the loan will be advanced to the company in several stages, after having obtained the required professional certifications. As of December 31, 2012 expenditures amount to Ps. 1.9 million.

GCGC was the borrower under a loan agreement with Standard Bank Argentina for a principal amount of Ps. 7.5 million to finance the repair, recycling and improvement of the building. The loan will be repaid in 36 months, as from October 2012, with a 18-month grace period. The principal amount will be repaid in 7 quarterly decreasing installments as from the 18th month. Such loan accrues interest at a 15% fixed nominal annual rate.

5.12.4 GCSA Investments

As of December 31, 2012 GCSA Investments was the borrower under a loan with JP Morgan Chase Bank for a principal amount of USD 10 million, due on June 30, 2013. Interest under the loan accrues at a variable rate and is payable semiannually. The loan agreement sets forth certain covenants and restrictions, including mainly restrictions on borrowings, creation of encumbrances, winding-up, liquidation and effective changes of control.

5.12.5 ARTEAR

As of December 31, 2012 ARTEAR was the borrower under a commercial loan with a local bank for a principal amount of Ps. 15 million. Principal on the loan is payable in three equal installments due in January, April and July 2013. Interest accrues at a fixed rate and is payable on a quarterly basis, starting in October 2011 until the final maturity.

5.12.6 CMD

As of December 31, 2012 CMD was the borrower under a loan with Banco de la Ciudad

de Buenos Aires for a principal amount of Ps. 9.7 million. Proceeds were used to finance partially the acquisition and renovation of the building. Such loan will be repaid in 60 months, with a 24-month grace period, i.e. in 36 monthly consecutive installments, accruing interest at the average Badlar rate for Private Banks plus 100 basic points. The first installment was due on June 27, 2010.

5.13 Sellers Financing

The following table summarizes the consolidated debt maturities in connection with the acquisition of companies:

	To fall due From 1 to 2 years	Total as of December 31, 2012	Total as of December 31, 2011	Total as of December 31, 2010
Non-Current Sellers Financing				
Principal	325,330	325,330	816,853	1,127,017

Current Sellers Financing	Without any established term	Up to 3 months	From 3 to 6 months	From 6 to 9 months	To fall due From 9 months to 1 year	Total as of December 31, 2012	Total as of December 31, 2011	Total as of December 31, 2010
Principal	778,558	-	325,330	-	-	1,103,888	8,178,434	3,796,354

5.14 Taxes Payable

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Taxes Payable on a National Level	74,910,041	79,195,842	83,156,561
Taxes Payable on a Municipal Level	-	-	483,271
	74,910,041	79,195,842	83,639,832
Current			
Taxes Payable on a National Level	386,657,664	283,531,658	454,930,998
Taxes Payable on a Provincial Level	6,548,977	3,045,438	6,484,639
Taxes Payable on a Municipal Level	18,562,595	13,348,827	10,675,795
	411,769,236	299,925,923	472,091,432

5.15 Other Liabilities

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Related Parties (Note 16)	-	-	438,783
Guarantee Deposits	2,599	14,376	1,975,322
Unearned Revenue	81,047,345	75,181,695	59,824,566
Call Options (Note 10)	5,154,721	18,054,721	17,094,721
Derivatives	-	3,900,000	-
Investment in Affiliates and Subsidiaries	6,269,973	4,530,531	4,164,093
Other	5,113,951	2,673,162	5,932,094
	97,588,589	104,354,485	89,429,579
Current			
Advances from Customers	62,049,186	48,292,565	44,662,304
Dividends Payable	2,459,472	3,765,361	2,008,066
Related Parties (Note 16)	30,336	496,819	467,331
Call Options (Note 10)	14,760,000	-	5,154,721
Unearned Revenue	84,925,814	47,599,975	38,479,483
Derivatives	4,010,000	4,353,000	-
Other	46,010,317	44,220,514	36,824,387
	214,245,125	148,728,234	127,596,292

5.16 Trade Payables and Other

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Suppliers and Trade Provisions	5,774,324	8,448,050	12,450,978
Employer's Contributions	114,302	1,750,705	-
	5,888,626	10,198,755	12,450,978
Current			
Suppliers and Trade Provisions	1,262,496,139	1,105,728,114	747,063,100
Related Parties (Note 16)	86,717,499	119,465,629	77,240,030
Employer's Contributions	679,910,028	506,347,411	381,891,769
	2,029,123,666	1,731,541,154	1,206,194,899

Note 6

Breakdown of the main items of the statement of comprehensive income

6.1. Revenues

	December 31, 2012	December 31, 2011
Sales of Cable TV Subscriptions	5,704,777,503	4,428,956,203
Advertising Sales	2,295,676,706	2,103,470,240
Sales of Internet Subscriptions	1,588,414,701	1,353,185,580
Circulation Sales	879,516,792	645,355,965
Printing Services Sales	125,569,566	150,616,463
TV Signals Sales	174,492,718	133,095,885
Other Sales	550,458,107	510,558,280
Total ⁽¹⁾	11,318,906,093	9,325,238,616

(1) Includes sales executed through barter transactions as of December 31, 2012 and 2011 in the amount of Ps. 91.6 million and Ps. 91.2 million, respectively.

6.2. Cost of Sales

	December 31, 2012	December 31, 2011
Inventories at the beginning of the year	387,495,288	273,944,061
Purchases for the year	734,628,930	838,665,547
Production and Services Expenses (Note 6.3.)	5,748,877,255	4,649,201,868
Less: Inventories at year-end	(362,814,970)	(387,495,288)
Cost of Sales	6,508,186,503	5,374,316,188

6.3. Production and Services, Selling and Administrative Expenses

Item	Production and Services Expenses	Selling Expenses	Administrative Expenses	Total as of December 31, 2012	Total as of December 31, 2011
Fees for Services	224,478,084	52,220,726	395,535,038	672,233,848	501,219,589
Salaries, Social Security and Benefits to Personnel	2,274,235,418	432,092,466	614,270,446	3,320,598,330	2,493,064,405
Advertising and Promotion Expenses	-	340,657,473	1,035,567	341,693,040	279,351,149
Taxes, Duties and Contributions	165,623,054	298,957,843	32,139,351	496,720,248	376,615,207
Doubtful Accounts	-	42,811,874	-	42,811,874	42,467,310
Travel Expenses	51,502,288	29,837,238	10,731,068	92,070,594	77,411,654
Maintenance Expenses	337,403,480	27,966,380	117,599,006	482,968,866	397,379,233
Distribution Expenses	30,987,497	39,045,753	-	70,033,250	55,439,745
Communication Expenses	6,715,959	2,213,820	6,546,507	15,476,286	13,005,680
Contingencies	40,666,127	-	19,042,120	59,708,247	50,676,789
Stationery and Office Supplies	3,837,430	3,622,645	20,245,827	27,705,902	23,741,399
Commissions	-	21,844,738	193,891,072	215,735,810	164,791,145
Productions and Co-Productions	165,757,963	-	-	165,757,963	148,112,364
Printing Expenses	114,962,902	-	-	114,962,902	130,880,539
Rights	1,049,888,005	-	-	1,049,888,005	896,811,069
Services and Satellites	191,835,730	631,526	16,579,993	209,047,249	168,989,020
Severance Payments	10,619,233	4,872,195	4,275,922	19,767,350	29,236,364
Non-Computable VAT	20,093,188	-	-	20,093,188	18,773,590
Rentals	147,898,880	6,283,336	25,973,934	180,156,150	126,730,101
Amortization of Intangible Assets	130,511,915	6,736,721	5,526,920	142,775,556	149,475,245
Amortization of Film Library	3,505,925	-	-	3,505,925	2,738,614
Depreciation of Property, Plant and Equipment	661,169,712	40,923,898	23,981,121	726,074,731	613,264,887
Impairment of Inventories and Obsolescence of Materials	6,337,972	-	-	6,337,972	6,906,490
Other Expenses	110,846,493	37,100,707	35,204,963	183,152,163	122,902,893
Total as of December 31, 2012	5,748,877,255	1,387,819,339	1,522,578,855	8,659,275,449	
Total as of December 31, 2011	4,649,201,868	1,094,247,032	1,146,535,581		6,889,984,481

6.4. Financial Income

	December 31, 2012	December 31, 2011
Interest	66,957,393	22,972,677
Exchange Differences	91,283,703	36,392,994
Income from Changes in the Fair Value of Financial Instruments	-	2,300,051
Repurchase / Financial Debt Refinancing Result	4,010,800	41,021,843
Total	162,251,896	102,687,565

6.5. Financial Costs

	December 31, 2012	December 31, 2011
Interest	(331,961,899)	(288,316,295)
Other Taxes and Expenses	(203,360,750)	(145,508,778)
Exchange Differences	(508,447,786)	(222,052,329)
Financial Discounts on Assets and Liabilities	(27,572,137)	(17,678,855)
CER Restatement	(5,119,362)	(2,973,143)
Income from Changes in the Fair Value of Financial Instruments	(1,943,500)	(8,244,000)
Total	(1,078,405,434)	(684,773,400)

6.6. Other Income and Expense

	December 31, 2012	December 31, 2011
Income from Sale of Property, Plant and Equipment	3,213,458	10,194,877
Income from Disposal of Investments	-	6,657,315
Goodwill Impairment	-	(12,053,573)
Other	(2,574,088)	(3,291,409)
Total	639,370	1,507,210

Note 7

Income tax

The following table shows the reconciliation between the consolidated income tax charged to net income for the years ended December 31, 2012 and 2011 and the income tax liability that would result from applying the current tax rate on consolidated income before income tax and tax on assets and the income tax liability assessed for each year (amounts stated in thousands of Argentine Pesos):

	December 31, 2012	December 31, 2011
Income before Income Tax	998,490	1,163,215
Current Rate	35%	35%
Income Tax Assessed at the Current Tax Rate on Income before Income Tax	(349,472)	(407,125)
Permanent Differences:		
Equity in Earnings from Affiliates and Subsidiaries	4,789	11,779
Non-Taxable Income	(149,759)	(11,242)
Other	(10,207)	(7,252)
Subtotal	(504,649)	(413,840)
Valuation Allowance for Net Deferred Tax Assets Charged to Income	(14,524)	(8,819)
Total Income Tax	(519,173)	(422,659)
Deferred Tax	(58,580)	44,716
Current Tax	(460,593)	(467,375)
Income Tax Assessed for the Year	(519,173)	(422,659)
Tax on assets	(5,703)	(2,373)
Total	(524,876)	(425,032)

Breakdown of Consolidated Deferred Tax (in thousands of Argentine pesos):

	December 31, 2012	December 31, 2011	January 1, 2011	Changes Year 2012	Changes Year 2011
Deferred Assets					
Tax Loss Carryforwards	95,065	73,349	34,085	21,716	39,264
Specific Tax Loss Carryforward	1,008	477	5,768	531	(5,291)
Inventories	7,095	5,078	3,514	2,017	1,564
Other Investments	7,463	7,646	7,828	(183)	(182)
Accruals and Other	66,428	47,417	37,184	19,011	10,233
Trade Payables and Other	19,913	16,066	2,863	3,847	13,203
	196,972	150,033	91,242	46,939	58,791
Deferred Tax Liabilities					
Property, Plant and Equipment	(109,901)	(107,236)	(102,428)	(2,665)	(4,808)
Intangible Assets	(119,272)	(136,622)	(211,369)	17,350	74,747
Trade Receivables	(25,884)	(21,193)	42,898	(4,691)	(64,091)
Other Assets	(1,912)	(4,651)	(3,900)	2,739	(751)
Other Liabilities	(88,756)	20,794	14,992	(109,550)	5,802
Long-Term Debt	(17,799)	(17,920)	2,739	121	(20,659)
Subtotal	(363,524)	(266,828)	(257,068)	(96,696)	(9,760)
Valuation Allowance on Tax Loss Carryforwards	(39,892)	(31,069)	(26,754)	(8,823)	(4,315)
	(403,416)	(297,897)	(283,822)	(105,519)	(14,075)
Total Net Deferred Tax Liabilities	⁽¹⁾ (206,444)	(147,864)	(192,580)	(58,580)	44,716

(1) Comprises Deferred Tax Assets in the amount of Ps. 55,403,579 and Deferred Tax Liabilities in the amount of Ps. 261,847,892 as of December 31, 2012, disclosed in the Consolidated Balance Sheet.

As of December 31, 2012, the Company's and its subsidiaries' accumulated consolidated tax loss carryforwards amounted to approximately Ps. 274,491 thousand, which calculated at the current tax rate, represent deferred tax assets in the amount of approximately Ps. 96,073 thousand. The following table shows the expiration date of the accumulated tax loss carryforwards pursuant to statutes of limitations (amounts stated in thousands of Argentine Pesos):

Expiration year	Amount of Tax Loss Carryforward
2013	19,202
2014	29,851
2015	36,684
2016	106,130
2017	82,624
	274,491

The Company estimates that the tax loss carryforwards are recoverable for the net amounts disclosed.

Note 8

Provisions and other contingencies

8.1 Regulatory Framework

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

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

Even though Cablevisión, like other companies in the industry, has strong constitutional arguments to support its position, it cannot be assured that the final outcome of this issue will be favorable. Therefore, Cablevisión may be forced to modify the price of its pay television subscription, a situation that could significantly affect the revenues of its core business. This creates a general framework of uncertainty over Cablevisión's business that could significantly affect the recoverability of its relevant assets reported in these consolidated financial statements 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-Secretary of Domestic Trade", the Federal Court of Appeals 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.

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 Federal Administrative Court of Appeals, Chamber V, 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.

Subsequently, the SCI issued Resolutions Nos. 65/11, 92/11, 123/11, 141/11, 10/11, 25/12,

97/12 and 161/12 pursuant to which the SCI extended the effectiveness of Resolution No. 36/11 up to and including March 2013, and adjusted the cable television subscription price to Ps.130. 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. 50/97 with respect to all cable television licensees (among them, Cablevisión and its subsidiaries) represented by ATVC, and also given the fact that Resolutions No. 36/11, 65/11, 92/11, 123/11, 141/11, 25/12, 97/12 and 161/12 merely extend the effectiveness of Resolution No. 50/10, Cablevisión continues to be protected by said preliminary injunction, and, therefore, its ordinary course of business will not be affected.

On January 13, 2012, the Secretariat of Domestic Trade issued Resolution No. 2/2012 granting Cablevisión 24 hours to resume service to those subscribers who had duly paid their subscription fee in the amount established by the National Government. In its sixth section, the Resolution provides that if the company does not comply with its obligations thereunder, penalties may be imposed as provided by Law 20,680. On February 10, 2012, Cablevisión received a fine of Ps. 1 million for alleged non-compliance with such Resolution. Such fine has been appealed but no decision has been rendered on the matter yet.

After the Federal Court 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.

b. On August 19, 2010 the Media Secretariat issued Resolution No. 100/2010, whereby it revoked the license that had been granted to

Fibertel. Cablevisión believes that this resolution is an absolutely null and void administrative act. Its language contradicts express provisions of the National Constitution, of Law No. 19,550 (Argentine Business Associations Law), Decrees Nos. 1,185/90 and 764/00 and Law No. 19,549 of Administrative Procedures, among others. The Resolution disregards the several filings made by Cablevisión with the Media Secretariat requesting such agency to issue an administrative act evidencing that Cablevisión, pursuant to section 82 of the Argentine Business Associations Law, is the successor of Fibertel and, therefore, the holder of the exclusive telecommunication service license and of the registrations that had been previously granted to Fibertel. More than eight years after that request, in spite of the existence of a draft of a favorable decision in the case file, with a completely arbitrary attitude that contradicts other precedents of the same agency, and without prior notice that would have allowed Cablevisión to exercise its defense right, the SECOM ordered that the license be revoked and that the users migrate within 90 days of the resolution's notification. On August 26, 2010 Cablevisión filed an appeal requesting the reversal of the resolutions, and if such appeal is rejected, a subsidiary appeal against that Resolution before the highest administrative authority. The appeal was dismissed pursuant to SECOM Resolution No. 132/2010 dated October 7, 2010. However, since Cablevisión had filed a subsidiary appeal to have the case heard by the highest administrative authority; the file was submitted to the Ministry of Federal Planning, Public Investment and Utilities. As of the date of these financial statements, this appeal is pending resolution.

On February 24, 2011, Chamber No. 3 of the Federal Court of Appeals on Civil and Commercial Matters of the City of Buenos Aires, in re “ANTITRUST ASSOCIATION V. NATIONAL GOVERNMENT MEDIA SECRETARIAT ON COMPLAINT FOR THE PROTECTION OF CONSTITUTIONAL RIGHTS” confirmed the decision rendered in the first instance, stating that the National Government, Media Secretariat, shall refrain from disrupting or limiting in any way the Internet access services offered by Cablevisión. It also partially amended the above decision by broadening its effects, ordering the National Government to refrain

from enforcing Resolution No. 100/10, thus allowing new customers to subscribe to the Internet access services offered by Cablevisión.

On December 16, 2011, Federal Civil and Commercial Court No. 3, Clerk's Office No. 5 issued a related injunction in re "CABLEVISION S.A. v. NATIONAL GOVERNMENT ON COMPLAINT FOR THE PROTECTION OF CONSTITUTIONAL RIGHTS", ordering the suspension of the effects of SECOM Resolution No. 100/10 and also guaranteeing new subscribers the possibility to subscribe to the Internet Access service offered by Cablevisión.

On December 20, 2011, at the request of Cablevisión, a new preliminary injunction was issued in re "CABLEVISION S.A. v. National Government - Argentine Secretariat of Communications on COMPLAINT FOR THE PROTECTION OF CONSTITUTIONAL RIGHTS". On the basis of the above-mentioned precedent, and on the existing connection between the subject matters of both cases, as alleged by Cablevisión, the injunction ordered the suspension of the effects of SECOM Resolution No. 100/10. The National Government filed an appeal with Chamber No. 3 of the Federal Court of Appeals on Civil and Commercial Matters which is still pending as of the date of these financial statements.

Due to the imminent possibility that the application of Law No. 26,522 will affect the assets used to provide Internet access services, within the framework of this same file Cablevisión requested the extension of the scope of the effective injunction, which was granted on December 6, 2012. Such extension entailed notifying AFSCA of the injunction which prevents it from affecting in any way the Internet access services offered by Cablevisión.

Based on the above-mentioned preliminary injunctions, Cablevisión is authorized to continue to render the telecommunication services granted to Fibertel.

Cablevisión will resort to all available administrative and judicial remedies in order to have SECOM Resolution No. 100/2010 declared null and void. Even though

Cablevisión has strong grounds that support its position, it cannot be assured that the final outcome of this issue will be favorable.

On September 10, 2010, the National Administration of Domestic Trade notified Cablevisión that a Ps. 5 million fine had been imposed for promoting the Fibertel service without being the holder of the license (Section 7 of Law No. 24,240), for the impossibility of honoring the promotion offered to undetermined potential consumers (Section 7 of Law No. 24,240), for providing wrong information to the customers (Section 4 of Law No. 24,240), and for the impossibility of honoring promotions because Cablevisión was not the holder of the Fibertel license (Section 19 of Law No. 24,240). Cablevisión appealed such decision in due course, since it believes it has sufficient arguments in its favor. The file was assigned No. 1,276 and is pending before Chamber No. 2 of the Court of Appeals on Administrative Matters.

On April 17, 2012 the appeal was partially granted, reducing the fine to Ps. 380,000. Notwithstanding the foregoing, Cablevisión filed an appeal with the Supreme Court of Argentina in due time and form against such decision. On July 12, 2012, Chamber No. 2 of the Federal Court of Appeals on Administrative Matters decided to dismiss the appeals filed by both parties.

Cablevisión filed an appeal against the above-mentioned dismissal since it believes it has sufficient grounds to have the fine revoked. However, Cablevisión cannot assure that the outcome of the appeal will be favorable.

Since the appeal does not have staying effects, on October 18, 2012 the National Administration of Domestic Trade ordered Cablevisión to pay within ten (10) business days the fine reduced by Chamber No. 2. On October 29, 2012 Cablevisión settled the fine in the amount of Ps. 380,000 and the compliance was recorded in the file.

c. 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 the entities filed direct appeals before the judicial branch. Three of those appeals were dismissed and one is still pending resolution.

Cablevisión believes that if the CNDC acts as it did in the case of the three dismissed direct appeals, the fourth appeal is unlikely to be admitted.

On June 11, 2008, Cablevisión was served with a decision of the Federal Court of Appeals on 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.

d. 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.

The merger commitment was executed on February 12, 2009 and was filed with the CNV pursuant to applicable regulations that require administrative approval. As of the date of these financial statements, such merger is pending administrative approval by the CNV and registration with the IGJ.

On September 3, 2009, the COMFER issued Resolution No. 577/09 whereby it withheld approval of Cablevisión's merger with Multicanal S.A.

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 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 October 23, 2009, the court decision that had suspended the effects of COMFER Resolution No. 577/09 and CNDC Resolution No. 106/09 was revoked by Chamber No. 3 of the 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". Therefore, the calculation of the suspended terms was automatically resumed. On that basis, on December 1, 2009, Cablevisión ratified the filing it had made with the COMFER at the time of the merger, and

specified the licenses to which it had decided to maintain title. On December 16, 2009, the Chamber No. 3 of the 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 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 substantive issues.

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 Federal Court of Appeals on 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 Federal Court of Appeals on 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 Federal Court of Appeals on 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, the Federal Commercial and Civil Court of Appeals, Chamber No. 2, 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 Federal Court of Appeals on Commercial-Criminal Matters approved the recusation filed by Cablevisión and excluded the Secretary 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.

The appeal is currently pending before Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters in re “AMI CABLE HOLDING and other on/ Appeal of the National Antitrust Commission Resolution” (File No. 2,054/2010).

On March 3, 2010, the Company brought a claim seeking to nullify of COMFER Resolution No. 577/09. Upon being served with this claim, the COMFER filed an exception, which was responded by Cablevisión. On September 4, 2012 the Judge decided to dismiss the exception filed by the COMFER, which shall bear the legal costs incurred. On December 13, 2012 the order to notify about such decision was submitted and it was issued by the Court on December 26, 2012. In that same act, a request was submitted to set the preliminary hearing (before the discovery proceedings).

On April 20, 2010, Chamber 2 of the Federal Court of Appeals on 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 extraordinary appeal. Both appeals were dismissed. Chamber No. 2 requested the administrative file and the Court's decision is pending. Cablevisión considers that it has strong grounds to have the effects of the above Resolution suspended and therefore has brought the relevant legal actions. However, it cannot assure that the outcome will be favorable.

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

e. Under Proceeding File No. 21,788/08 dated November 17, 2008, Cablevisión informed the COMFER about the corporate business reorganization process effective as of October 1, 2008. In that same act, Cablevisión informed the COMFER about: i) all the licenses to which it became universal successor under the corporate business reorganization process; ii) the exercise of an option for one of the licenses in each of the locations where it held multiple licenses, and iii) the relinquishment of original licenses and extensions so as to eliminate the multiple licenses accumulated in each of the locations where it held multiple licenses. As a result of such corporate business reorganization process, Cablevisión became the universal successor of 158 licenses to exploit Supplementary Services in several locations (pursuant to section 44, subsection b) of Law 22,285. To avoid having multiple licenses, Cablevisión informed the COMFER about its irrevocable intention to relinquish a total of 78 licenses (including original licenses and extensions) so as to eliminate all the supplementary service licenses that exceeded the limit set for supplementary services in each location (which was one license per designated area). Notwithstanding the foregoing, through Resolution No. 577/COMFER/09, the COMFER illegitimately decided to withhold approval of the merger requested by Cablevisión, requesting Cablevisión to submit a divestiture plan on the grounds that the license relinquishments spontaneously communicated by that company were not sufficient. (See Note 8.1.d).

f. On May 23, 2011, Supercanal S.A. filed a claim for the protection of constitutional rights (acción de amparo) before the Federal Court of Mendoza against Cablevisión, Grupo Clarín and other co-defendants, requesting that they refrain from exercising alleged anti-competitive practices and that the assets, liabilities and businesses that used to belong to Multicanal and that were subsequently merged into Cablevisión (see Note 8.1.d.) be separated from the other assets, liabilities and businesses of Cablevisión and transferred to third parties.

Together with the claim for the protection of constitutional rights, Supercanal S.A. requested a preliminary injunction - for the same purposes - which was granted on December 16, 2011. The injunction ordered the separation of the assets, liabilities and businesses that used to belong to Multicanal and that were subsequently merged into Cablevisión within a term of 60 days. The court also appointed a supervisor (interventor) and co-administrator for a term of twelve months, who shall enforce the injunction, order the changes to such company's management required for the effective enforcement of the duties to be fulfilled by the Board of Directors, and also report on a monthly basis to the court about his/her performance. Such court-appointed supervisor (interventor) and co-administrator shall have the obligation to perform the necessary functions aimed at fulfilling the actions ordered pursuant to the injunction.

Cablevisión filed an appeal against such injunction and presented the grounds for its defense in due time and form. Cablevisión also requested the replacement of such injunction with another less burdensome, one that could largely cover the risks alleged by Supercanal in its claim.

On April 26, 2012, the Federal Court of Appeals of Mendoza, Chamber A, dismissed the appeal filed by Cablevisión against the decision of December 16, 2011, but extended the term to divest the assets, liabilities and businesses of Multicanal that had been merged into Cablevisión to 120 days. The court also dismissed the request to replace the injunction.

Cablevisión believes it has strong grounds to defend its position. Therefore, it has already informed the Court that it shall proceed to file an appeal with the Supreme Court of Argentina

against such decisions. Notwithstanding the foregoing, Cablevisión cannot assure the outcome of this appeal.

On August 14, 2012, Cablevisión was served notice of a decision rendered by Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters of the City of Buenos Aires ("the Court of Appeals") on August 13, 2012 whereby it declared the existence of a connection between the case brought by Supercanal S.A. in the Province of Mendoza and the appeal of MECON Resolution No. 113/10 ("Ami Cable Holding LTD and other on/ Appeal of the National Antitrust Commission Resolution). The Court of Appeals stated that the hearing of the case in the Province of Mendoza gives rise to an atypical jurisdictional issue that affects the correct rendering of justice in the case and the powers of said Court of Appeals. The Court of Appeals therefore ordered Federal Court No. 2 of Mendoza to send the file so that the case could continue under the jurisdiction of the Federal Courts on Civil and Commercial Matters of the City of Buenos Aires. The Federal Court No. 2 of Mendoza and the Federal Court of Appeals of Mendoza were served notice of said order on the same date and both of them rejected it, giving rise to a jurisdictional conflict between Chamber No. 2 of the Court of Appeals and Federal Court No. 2 of Mendoza.

Pursuant to Section 24, subsection 7 of Decree/Law No. 1285/58, if a jurisdictional conflict arises between a federal judge of a given jurisdiction and a Federal Court of Appeals of a different jurisdiction, said conflict must be resolved by the Argentine Supreme Court.

After having been served notice of the decision of Chamber No. 2 of the Court of Appeals, on August 17, 2012, Judge Walter Bento of the Federal Court No. 2 of Mendoza issued an order to notify Cablevisión of an extension of the scope of the injunction issued in re "Supercanal S.A. v. Cablevisión S.A. and other on Claim for the protection of constitutional rights (acción de amparo)". Under this injunction, the judge ordered the removal of the Board of Directors of Cablevisión and its replacement with a court-appointed administrator (interventor) whose role was to fulfill court orders. However, in response to the claim brought by Cablevisión on August 21, 2012 with the Argentine Supreme Court in

connection with the abovementioned jurisdictional conflict, the Supreme Court ordered the immediate suspension of the proceedings until a decision is rendered on the jurisdictional conflict.

Notwithstanding this, Cablevisión and its legal advisors believe that the order issued on August 17 is irregular and that it may not be deemed a valid notice, because it should have been issued within the framework of the proceedings pending with the Federal Court on Civil and Commercial Matters rather than being served at a domicile established in the city of Mendoza.

At present, all these proceedings are suspended and were sent to the Argentine Supreme Court for it to render a decision on the jurisdictional conflict.

g. On October 21, 2010, the National Administration of Domestic Trade served notice to Cablevisión of (i) a fine of Ps. 5 million for failing to comply with the duty to inform (Section 4 of Law 24,240) concerning one of its promotions and (ii) a fine of Ps. 500,000 for infringing Section 2, subsection c) of Decree 1153/95 of the regulations to Section 10 of Law 22,802. Cablevisión appealed the fine because it believes it has strong arguments in its favor. The file was assigned No. 1281 and is pending before Chamber No. 2 of the Court of Appeals on Federal-Administrative Matters. On October 4, 2011, the Court of Appeals partially affirmed Resolution 739/10 and reduced the fine to Ps. 2.2 million, imposing 75% of the legal costs on Cablevisión. On October 13, 2011 Cablevisión filed a Federal Ordinary appeal with the Supreme Court of Argentina and on October 20, 2011 it filed a federal extraordinary appeal with that same court in the event that the ordinary appeal may be dismissed.

On October 21, 2011, Chamber No. 2 of the Federal Court of Appeals on Administrative Matters granted the ordinary appeal and the legal brief was submitted in due time and form.

On August 7, 2012 the Supreme Court of Argentina decided that the Ordinary Appeal had been wrongly granted.

On December 13, 2012 the Chamber dismissed the appeal filed by Cablevisión, which shall bear the costs incurred.

On December 20, 2012 Cablevisión filed an appeal against the above-mentioned dismissal since it believes it has sufficient grounds to have the fine revoked. However, Cablevisión cannot assure that the outcome of the appeal will be favorable.

h. On May 31, 2012, Cablevisión was served notice of Resolution No. 16,819 dated May 23, 2012 whereby the Argentine Securities Commission (CNV, for its Spanish acronym) ordered the initiation of summary proceedings against Cablevisión and its directors, members of the Supervisory Committee and the Head of Market Relations for an alleged failure to comply with the duty to inform. The CNV considers that Cablevisión failed to comply with its duty to inform because the investor community was deprived of its right to become fully aware of the grounds of a decision rendered by the Federal Court of Mendoza and the scope of the powers granted by that court to the co-administrator appointed in re “Supercanal S.A. v. Cablevisión S.A. on protection of constitutional rights”, in addition to the fact that other self-regulated authorities were allegedly not notified of the information furnished by Cablevisión. On June 25, 2012, Cablevisión filed a response petitioning that its defenses be sustained and all charges dismissed. Cablevisión and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, Cablevisión cannot assure that the outcome of the said summary proceedings will be favorable.

i. Pursuant to CNV Resolution No. 16,834 dated June 14, 2012 notified to the Company on June 27, 2012, the CNV ordered the initiation of summary proceedings against the Company and the members of its Board of Directors, Supervisory Committee and Audit Committee in office at the time of the occurrence of certain events under review (September 19, 2008) for alleged failure to comply with the duty to inform. Under said Resolution, the CNV argues that the Company allegedly failed to comply with the duty to disclose the filing of a claim against it entitled “Consumidores Financieros Asociación Civil para su defensa and other v. Grupo Clarín on/Ordinary”, which the CNV considers relevant. On July 25, 2012, Cablevisión filed a response petitioning that its defenses be sustained and that all charges against it be dismissed. The Company and its legal advisors

believe that the company has strong arguments in its favor. Nevertheless, Cablevisión cannot assure the outcome of said summary proceedings.

j. The Executive Branch of Uruguay issued Decree No. 73/012, published in the Official Gazette on March 16, 2012, whereby it expressly repealed Decree No. 231/011, which had revoked certain signals' broadcast frequencies. However, the new decree ratified and repeated - virtually in identical terms - the decree that was being repealed, and added certain provisions that caused further detriment to two companies with which a subsidiary of Cablevisión has contractual arrangements in place. Consequently, on March 23, 2012 the two affected companies filed an appeal requesting that Decree No. 73/012 be revoked. The appeal is still pending resolution.

In May 2012, the aforesaid companies brought a legal action with the Court in Administrative Litigation Matters requesting the nullification of the resolution and the suspension of its execution.

Those appeals have progressed through the corresponding instances and are pending resolution as of the date of these consolidated financial statements. Notwithstanding the foregoing, said companies cannot assure the outcome of these actions.

In the preparation of these consolidated financial statements, the Company has considered the effects that could be derived, and that may be projected to date within a foreseeable period as a result of the effects, if any, from these regulatory changes.

k. On June 4, 2012, the Federal Court of Appeals of Rosario partially confirmed SCI Resolution No. 219/2010, whereby the Secretary of Domestic Trade found that Cablevisión and Multicanal had engaged in market sharing practices in connection with the paid-television service in the City of Santa Fe and reduced the fine imposed on each of the companies involved from Ps. 2.5 million to Ps. 2 million. However, this decision is not yet final, because Cablevisión and Multicanal and the Ministry of Economy filed appeals with the Argentine Supreme Court, which are still pending.

Notwithstanding the foregoing, Cablevisión cannot assure that the appeals will be resolved in its favor.

l. On March 1, 2011, the SCI served notice to Multicanal and Cablevisión of Resolution No. 19/11 whereby the Secretary of Domestic Trade found that both companies had engaged in market sharing practices in connection with the paid-television service in the City of Paraná and imposed a fine of Ps. 2.5 million on each of them. Cablevisión filed an appeal in due time and form. This appeal was dismissed by the Federal Court of Appeals of Paraná. Therefore, Cablevisión filed an appeal with the Argentine Supreme Court. On November 4, 2011, the appeal of SCI Resolution No. 19/11 filed by Cablevisión with the Supreme Court was partially granted by the Federal Court of Appeals of Paraná.

On August 30, 2012, the Argentine Supreme Court dismissed the appeal filed by Cablevisión; therefore, Resolution No. 19/11 became final. The case is currently pending with the Court of Appeals of Paraná, which shall order its referral to the SCI. The SCI, in turn, shall serve notice to the companies involved in order for them to pay the fine.

m. Cablevisión, by itself and as successor of Multicanal's operations after the merger, is a party to several administrative proceedings under the Antitrust Law, facing charges of anticompetitive conduct, including territorial division of markets, price discrimination, abuse of dominant position, refusal to deal and predatory pricing, as well as a proceeding filed by the Cámara de Cableoperadores Independientes (Chamber of Independent Cable Operators), challenging the transactions consummated on September 26, 2006. While Cablevisión believes that its conduct and that of Multicanal have always been within the bounds of the Argentine Antitrust Law and regulations and that their positions in each of these proceedings are reasonably grounded, it can give no assurance that any of these cases will be resolved in its favor.

n. On January 22, 2010, Cablevisión was served with CNDC Resolution No. 8/10 issued within the framework of file No. 0021390/2010 entitled "Official Investigation of Cable Television Subscriptions (C1321)". Pursuant to such Resolution, Cablevisión, among other

companies, was ordered to refrain from conducting collusive practices and, particularly, from increasing the price of cable television subscriptions for a term of 60 days, counted as from the date all required notices are certified as completed. According to said Resolution, companies which have already increased the price of the subscriptions shall return to the price applicable in November 2009 and maintain such price for the abovementioned term.

On February 2, 2010, by means of Resolution No. 13/10, the CNDC ordered Cablevisión to credit its subscribers the amount of any price increase made after the date of CNDC Resolution No. 8/10 on its March invoices.

Cablevisión appealed both resolutions in due time and form and their effects were suspended by an injunction issued by Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters at the request of Cablevisión.

Finally, on October 4, 2011, the same Chamber granted the appeal, declaring that the claim based on CNDC Resolution No. 8/10 was moot and nullifying CNDC Resolution No. 13/10.

The National Government appealed such decision before the Supreme Court of Argentina, which shall grant or dismiss the appeal.

o. On August 5, 2010, Cablevisión was served with CNC Resolution No. 2,936/2010 within the framework of Administrative Proceeding File No. 2,940/2010, pursuant to which Cablevisión and/or any other individual or entity through which the services relating to the licenses and registrations granted to FIBERTEL S.A. ("Fibertel") may be rendered shall refrain from adding new subscribers and from altering the conditions under which the services are currently rendered.

To decide as it did, the Argentine Communications Commission disregarded the corporate reorganization that was completed and registered before the IGJ, whereby Fibertel merged into Cablevisión effective as of April 1, 2003. By virtue of that merger process, Cablevisión became the universal successor to all of the assets, rights and obligations of

Fibertel as the merged company, among them, the Exclusive License awarded through SECOM Resolutions No. 100/96, 2375/97, 168/02 and 83/03. Therefore, Fibertel did not transfer or divest of its rights and obligations to third parties - among them, those derived from the above-mentioned Exclusive License. Fibertel continued to carry out its activities through Cablevisión as surviving company. In order to implement the above-mentioned corporate business reorganization, on March 5, 2003, the Argentine Communications Commission and the SECOM were notified of the corporate business reorganization for its acknowledgement. The technical and legal areas of the Argentine Communications Commission issued a favorable resolution with respect to the compliance with the requirements of current regulations to register Fibertel's license under the name of Cablevisión. SECOM had a term of 60 days to decide on the corporate business reorganization. However, such agency failed to render a decision as required by the applicable regulations. Not until August 19, 2010 did SECOM issue Resolution No. 100/2010, revoking Fibertel's license.

Cablevisión believes that the Resolution is arbitrary and that it flagrantly violates due process and its defense right. Therefore, Cablevisión has appealed such resolution. No decision has been rendered on the matter yet.

p. On October 28, 2010, Cablevisión was served notice of the National Administration of Domestic Trade's resolutions imposing two fines of Ps. 5 million each, for allegedly failing to observe the typographic character requirements under applicable regulations (Resolution 906/98) when informing its subscribers of the increase in the price of their cable television subscriptions. Cablevisión appealed the fines on November 12, 2010 because it believes it has strong grounds in its favor. However, it cannot assure that the outcome will be favorable. One of the files was assigned No. 1280 and is pending before Chamber No. 1 of the Federal Administrative Court of Appeals, and the other one was assigned No. 1,278 and is pending before Chamber No. 5 of the Federal Administrative Court of Appeals.

q. The litigation brought before the Civil, Commercial, Mining and Labor Court of the City of Concarán, Province of San Luis, in

early 2007 in re “Grupo Radio Noticias SRL v. Cablevisión and others”, is still pending before the Federal Court in Administrative Litigation Matters No. 2.

The purpose of that claim was to challenge the share transfers mentioned in Note 8.1.c. and to request the revocation of Cablevisión's broadcasting licenses. Cablevisión has responded to such claim and believes it is very unlikely that it will be admitted.

r. The Government of the City of Mar del Plata enacted Ordinance No. 9163, governing the installation of cable television networks. Such ordinance was amended and restated by Ordinance No. 15,981 dated February 26, 2004, giving cable companies until December 31, 2007 to adapt their cable networks to the new municipal requirements. The ordinance sets forth that in those areas where street lighting has underground wiring, cable television networks are to be placed underground. In this sense, the Executive Department of the Municipality of General Pueyrredón has submitted to the Municipal Council a proposed ordinance extending the term provided until December 31, 2015. Such ordinance is ready for discussion by legislators. Even though the ordinance provides for certain penalties that may be imposed, the City has not imposed such penalties to cable systems that are not in compliance with such ordinance.

s. On November 27, 2012 the National Administration of Domestic Trade served Cablevisión with Resolution No. 308/2012, whereby it imposed a Ps. 5 million fine on that company alleging that it had failed to comply with Section No. 4 of the Antitrust Law (increase in the subscription price of cable tv services/wrongful information provided by Customer Service, informed by mail that SCI Resolution No. 50/10 and the supplementing resolutions are suspended on grounds of unconstitutionality, when in fact they have been suspended by an injunction). On December 11, 2012 Cablevisión appealed Resolution No. 308/2012. The administrative file No. S01:0312056/2011 is currently pending before the National Administration of Domestic Trade and must be submitted to the Federal Court of Appeals on Administrative Matters for it to determine, by lottery, the first instance court that will hear the case.

Cablevisión and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, Cablevisión cannot assure that the revocation of the fine will be resolved in its favor.

8.2 Claims and Disputes with Governmental Agencies

a. The Argentine Federal Revenue Service (“AFIP”) served the subsidiary CIMECO with a notice challenging its income tax assessment for the fiscal periods 2000, 2001 and 2002. In such notice, the AFIP challenged mainly the deduction of interest and exchange differences in the tax returns filed for those years. If AFIP's position prevails, CIMECO's maximum contingency as of December 31, 2012 would amount to approximately Ps. 12 million principal amount and Ps. 24.9 million interest.

CIMECO filed a response, which was dismissed by the tax authorities. The tax authorities issued their own official assessment and imposed penalties. CIMECO appealed the tax authorities' resolution before the National Tax Court on August 15, 2007.

During the year ended December 31, 2010, CIMECO received a pro forma income tax assessment from the AFIP for fiscal periods 2003 through 2007, as a consequence of AFIP's challenge to CIMECO's income tax assessments for the periods 2000 through 2002 mentioned above. CIMECO filed a response before AFIP, rejecting such assessment and requesting the suspension of administrative proceedings until the Federal Tax Court renders its decision on the merits.

During 2011, the AFIP served CIMECO with a notice stating the income tax charges assessed for the periods 2003 through 2007 and ordering the initiation of summary proceedings. The AFIP's assessment shows a difference in the Income Tax liability for the above indicated periods in its favor for an amount in excess of the amount that had been estimated originally, as a result of the method used to calculate certain deductions. CIMECO responded to the assessment rejecting all of the adjustments and requesting that the proceedings be rendered without effect and filed, with no further actions to be taken.

On April 26, 2012, the AFIP issued a new official assessment comprising the fiscal periods 2003 through 2007 in which it applied the same method for the calculation than that used for the administrative settlement, claiming a total liability of Ps. 120 million. On May 21, 2012, an appeal was filed with the Federal Tax Court.

CIMECO and its legal and tax advisors believe CIMECO has strong grounds to defend the criteria adopted in their tax returns and that AFIP's challenges will not be admitted by the Federal Tax Court. Accordingly, CIMECO has not booked an allowance in connection with the effects such challenges may have.

b. Since 2005, the ANA has brought several claims against the holders of broadcasting and cable TV licenses for the payment of customs duties applicable to the import of films documented between 2000 and 2005. According to the ANA, holders of TV licenses are liable to pay customs duties, VAT and income tax not only on the customs value of the physical supports, but also on the reproduction rights agreed upon in the related contracts. ARTEAR filed objections against these claims on the basis of international agreements, doctrine and case law on the subject. As a consequence of the criteria followed by ARTEAR, during the period covered by the claim, it paid other taxes that would not have been payable if ANA's interpretation had been applied. As of the date of these financial statements, ARTEAR had to pay the differences claimed by ANA in a few isolated cases because the appeals filed with the Federal Court of Appeals against the National Tax Court's decisions do not have staying effects. In the first unfavorable decision rendered by Chamber No. 4 of the Federal Court of Appeals, which was appealed by ARTEAR, the Argentine Supreme Court refrained from rendering judgment on the merits of the case. Over the last months, all other Chambers of the Federal Court of Appeals have rendered decisions against ARTEAR's position. Therefore, as of the date of these financial statements, ARTEAR has set up an allowance to account for the estimated losses that may result from such claims, notwithstanding the fact that ARTEAR still considers that its interpretation of the customs law is based on reasonable legal grounds.

c. On September 10, 2010, the AFIP served TRISA with a notice with objections to its income tax assessment, with respect to the application of the withholding regime set forth under the section following section 69 of the Income Tax law, for fiscal periods 2004, 2005 and 2006. If AFIP's position prevails, TRISA's contingency would amount to approximately Ps. 28.9 million, out of which Ps. 9.3 million corresponds to taxes on dividend payments made during those years, Ps. 6.5 million to a 70% fine on the omitted tax, and Ps. 13.1 million to late-payment interest.

TRISA filed a response, which was dismissed by the tax authorities. On December 20, the tax authorities issued their own official assessment and imposed penalties. TRISA appealed the tax authorities' resolution before the National Tax Court on February 8, 2011.

TRISA and its legal and tax advisors believe that TRISA has strong grounds to defend its position and that AFIP's challenges will not be admitted by the Federal Tax Court. Accordingly, TRISA has not booked a provision in connection with the effects such challenges may have.

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

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

e. As a result of a report on suspicious activities reported by the Argentine Federal Revenue Service ("AFIP") concerning transactions carried out between the Company and some subsidiaries, the Financial Information Unit ("FIU") pressed criminal charges for alleged money laundering. The action is now pending before Federal Court No. 9, under Dr. Luis Rodriguez. The FIU has pressed charges against the Company and its directors for alleged money laundering activities related to the trading of shares between the Company and some of its subsidiaries. The Company has appointed defense attorneys and has requested a copy of the file to understand the details of the charges. As of the date of these consolidated financial statements, the FIU has not yet produced all the evidence requested by prosecutor Miguel Angel Osorio.

The Company and its legal advisors consider that there are strong arguments in the Company's favor having gathered evidence that supports their lack of involvement in any such maneuvers. However, they cannot assure that the outcome of this action will be favorable.

f. By means of Resolution 16,364/2010, dated and notified to AGEA as of July 15, 2010, the CNV's Board of Directors decided to initiate summary proceedings against AGEA and certain current and past members of its board of directors and supervisory commission, for alleged infringement of the Argentine Business Associations Law, Decree No. 677/01 and Law No. 22,315. AGEA, as well as the current and past members of the board of directors and supervisory commission who are subject to the summary proceedings, duly filed their respective responses.

g. AGEA received several inspections from the AFIP aimed at verifying compliance with the so-called competitiveness plans implemented by the National Executive Branch. As a result of such inspections, after several reports issued by the AFIP and the corresponding Resolutions issued by the Ministry of Economy, such bodies allege that certain acts performed by AGEA during 2002 lead to the nullity of some of the benefits granted under said plans for an estimated amount of Ps. 33.4 million. AGEA and its legal counsel believe that there are sufficient grounds in favor of AGEA and, accordingly, no provision has been recorded. An ordinary appeal has been filed by AGEA against such Resolutions. As of the date of these financial statements, such appeal is pending resolution. However, AGEA cannot assure that the appeal will be resolved in its favor.

8.3 Other Claims and Disputes

a. On December 12, 2001, Supercanal filed a claim against Multicanal for damages as a result of the enforcement of a preliminary injunction brought by Multicanal against Supercanal. Multicanal responded to such claim denying any liability. Based on de jure and de facto precedents of the case, Cablevisión, as successor of Multicanal's operations, believes that the claim filed should be rejected in its entirety, and that the legal costs should be borne by the plaintiff. As of the date of these financial statements, the proceeding was at the discovery stage. The court of first instance dismissed Supercanal's request that it be allowed to sue without paying court fees or costs. This decision has been ratified by the Federal Court of Appeals.

b. On June 22, 2007 TRISA and TSC executed several documents with AFA, applicable from the 2007/2008 until the 2013/2014 soccer seasons, governing the broadcasting by TRISA of all of the National "B" soccer tournament matches and by TSC of ten of the Argentine soccer first division official tournament matches played each week. Out of those ten matches, TRISA broadcast five through TyC Sports.

Those agreements set the price to be paid by TRISA for these products and clearly stated its right to sell such products and, additionally, had AFA's express consent.

On August 12, 2009 AFA notified TSC of its decision to terminate unilaterally the above-

mentioned agreement. TSC has challenged AFA's unilateral termination of the agreement and, in order to safeguard its rights, on June 15, 2010 it brought a legal action against AFA for contractual breach and damages.

On July 27, 2011, AFA unilaterally terminated the agreement that bound AFA and TRISA until the 2013/2014 soccer season for the broadcasting of all Argentine National "B" soccer tournament matches. AFA's decision was totally arbitrary and illegitimate, since TRISA has not breached any provision of the agreement, which does not expressly allow voluntary unilateral termination by either party. Therefore, TRISA has challenged AFA's unilateral termination of the agreement.

In light of the events and until the situation is remedied, TRISA will not be able to broadcast the five weekly matches of the first division tournament or any of the National "B" soccer tournament matches that it used to broadcast on its signal TyC Sports.

The broadcasting rights for the matches of Metropolitan First B category are not governed by the above-mentioned agreements, but by an agreement that is in full force and effect as of the date of these financial statements.

The situation described above had a significant impact on TRISA's revenues and costs. Therefore, it had to adjust its signal to these new circumstances.

In light of the circumstances described in the above paragraphs, as from August 2009, TRISA has recorded a portion of its revenues based on the progress of negotiations with each client and the new content of the signal.

During this year, TRISA has completed those negotiations. As a result, no significant differences arose between the actual results and the original estimates.

c. On January 31, 2012, FADRA informed Grupo Carburando's subsidiary Mundo Show S.A. the unilateral rescission of the agreement executed in 2006 whereby FADRA assigned to that company the rights comprising image, sound and static advertising of motor racing at the road racing events Turismo Carretera and TC Pista until December 31, 2015. Mundo Show S.A. has challenged and rejected FADRA's

unilateral rescission of the agreement and is analyzing the legal actions it will bring to safeguard its rights. In light of the events and until the situation is remedied, Mundo Show S.A. will not be able to sell or export the audiovisual and static advertising rights of the above-mentioned motor racing events. Therefore, an allowance has been set up for impairment of goodwill and other assets related to such agreement in the amount of approximately Ps. 17 million.

d. Pursuant to a notarial certificate issued on September 19, 2008, AGEA and the Company were served with a legal action brought by an entity representing consumers and alleged financial victims (and by six other individuals). Claimants are Multicanal noteholders who claim to be allegedly affected by Multicanal's APE. The claim is grounded on a Consumer Defense Law which, in general terms, provides for an ambiguous procedure that is very strict against the defendant.

The Company, AGEA and certain directors and members of the supervisory committee and shareholders have been served with the claim. After rejecting certain preliminary defenses presented by the defendants, such as the application of statutes of limitation and the failure to comply with prior mediation procedures, the claim followed ordinary procedure and the above-mentioned persons duly filed their respective responses.

e. On September 16, 2010 the Company was served with a claim brought against it by Consumidores Financieros Asociación Civil para su Defensa. The plaintiff claims a reimbursement of the difference between the value of the shares of the Company purchased at their initial 'public offering and the value of the shares at the time a decision is rendered in the case. The Company has duly responded to the claim and the intervening Court has deemed the claim responded.

8.4 Matters concerning Papel Prensa:

I. Papel Prensa has several disputes pending before the Commercial Court of Appeals of the City of Buenos Aires as a consequence of CNV Resolution No. 16,222. Pursuant to said Resolution, the CNV declared that certain decisions of Papel Prensa's Board of Directors were irregular and with no effect for administrative purposes. The Resolution challenged the Board's fulfillment of

the formalities required in the preparation, transcription and execution of meeting minutes on the relevant corporate books. On June 24, 2010, in File No. 75,479/09, the Commercial Court of Appeals of the City of Buenos Aires, Chamber C, decided to nullify CNV Resolution No. 16,222. On the basis of Resolution No. 16,222, the CNV has questioned subsequent decisions of Papel Prensa's Board and of its Shareholders. In response, Papel Prensa has brought several administrative claims against the CNV, questioning its position. All of such claims were decided in Papel Prensa's favor by the Commercial Court of Appeals of the City of Buenos Aires. Consequently, the CNV's decisions were nullified. Furthermore, the Commercial Court of Appeals, Chamber C, dismissed the appeals filed by the CNV before the Supreme Court of Argentina against the Court of Appeals' decisions. The CNV filed a direct appeal before the Supreme Court.

As a consequence of the above, Papel Prensa has continued with the criminal proceedings brought against certain public officials.

On February 1 and 4, 2010 the Secretary of Domestic Trade, Mario G. Moreno, and the CNV, respectively, requested the judicial intervention of Papel Prensa before the commercial justice. Such claims were pending before the Federal Commercial Court of First Instance No. 2, Clerk's Office No. 4, temporarily under judge Dr. Eduardo Malde, who, on March 8, 2010, issued an injunction whereby he suspended certain decisions adopted at meetings of the Board of Directors and at Shareholders Meetings held on or after November 4, 2009. Judge Malde also appointed a co-administrator without removing the members of the previous corporate bodies. Papel Prensa filed an appeal, which the Commercial Court of Appeals, Chamber C, resolved in Papel Prensa's favor, by revoking the injunction on August 31, 2010. On December 7, 2010 the same Chamber C dismissed the appeals filed by the CNV and the National Government before the Supreme Court of Argentina against the Court of Appeals' decision. Both the CNV and the National Government filed direct appeals against such decision.

None of the claims mentioned in the above paragraphs had a material effect on AGEA's

financial and economic condition as of December 31, 2012.

II. On January 6, 2010, the SCI issued Resolution 1/2010 whereby certain business practices were imposed on Papel Prensa. Papel Prensa brought a legal action against such resolution on grounds of unconstitutionality before the Federal Court on Administrative Matters and requested an injunction which was granted by the intervening judge. Pursuant to the injunction, the effects of such Resolution were suspended. On May 7, 2010, the Federal Court on Administrative Matters revoked the injunction. Papel Prensa appealed such decision, which was affirmed by the Federal Court of Appeals on Administrative Matters. Papel Prensa filed an appeal against the Court of Appeals' decision. The appeal was denied and Papel Prensa was served notice of that denial on September 1, 2010.

III. Papel Prensa suspended its operations with related parties between March 9 and April 21, 2010 pursuant to an injunction issued on March 8, 2010 by Judge Malde. In his ruling, Judge Malde decided to suspend the Board of Directors' resolution of December 23, 2009, which had approved the terms and conditions of transactions with related parties for the year 2010. On April 21, 2010, the Board of Directors of Papel Prensa, following a proposal made by the court-appointed supervisor (interventor) and co-administrator, approved the resumption of such company's transactions with related parties under provisional conditions for as long as the decision rendered by the Board on December 23, 2009 remained suspended and/or until Papel Prensa's corporate bodies established a business practice to follow with related parties. Such approval involved suspending the application of volume discounts in connection with purchases made by related parties, which could be recognized in their favor, subject to the court's decision on the appeal filed by Papel Prensa against Judge Malde's injunction of March 8, 2010. As from April 21, 2010, transactions with related parties were resumed under the provisional conditions approved by the Board on April 21, 2010.

At a meeting held on December 23, 2010, Papel Prensa's Board of Directors approved new conditions that must be fulfilled for the recognition and payment of volume discounts that may be applicable to related parties in

connection with purchases of paper made as from April 21, 2010. These new conditions are as follows: (i) the lifting of the provisional suspension of the resolutions adopted by the Board meeting of December 23, 2009, as explained in the previous paragraph, and (ii) the resolution or end, by any means, of any state of uncertainty that may eventually exist about the conditions approved by Papel Prensa's Board in the first item of the agenda of the meeting held on April 21, 2010, as a consequence of the claim brought by the National Government in re "National Government - Secretariat of Domestic Trade - v./ Papel Prensa S.A.I.C.F. y de M. on/ Ordinary", File No. 97,564, currently pending before Federal Commercial Court of First Instance No. 26, Clerk's Office No. 52. Under this proceeding, the National Government seeks to obtain, among other things, a declaratory judgment of nullity of the provisional conditions for the resumption of transactions with related parties in connection with the purchase and sale of paper approved by Papel Prensa's Board in the first item of the agenda of the above mentioned meeting held on April 21, 2010.

Furthermore, at this meeting held on December 23, 2010, Papel Prensa's Board decided to maintain the originally approved sales policy, but to subject the accrual and enforceability, and, consequently, the recognition and payment to the clients, of the eventual volume discounts that may be applicable to them with respect to paper purchases made between January 1, 2011 and December 31, 2011, to a final favorable ruling in the claim brought by Papel Prensa against the constitutionality of SCI Resolution No. 1/2010, or to the final nullification of such Resolution No. 1/2010 in any other way or by any other legal means, whichever happens first. In connection with related parties, the Board approved the same policies and conditions as those approved for the other clients in general.

In a meeting held on December 27, 2011 Papel Prensa's Board of Directors decided to maintain for 2012 the same commercial policies that had been approved for 2011 - under the same terms and conditions mentioned in the previous paragraph - for all of its customers in general (including related parties).

The commercial policy approved by Papel Prensa was affected by Law 26,736 -effective as from January 5, 2012- which declared a matter of public interest the production, sale and distribution of wood pulp and newsprint and set forth the regulatory framework to be adopted by the producers, sellers, distributors and buyers of such inputs. Among other things, the Law set limits and established conditions applicable to Papel Prensa for the production, distribution and sale of newsprint (including a formula to determine the price of paper), and created the National Registry of Producers, Distributors and Sellers of Wood Pulp and Newsprint where all producers, sellers, distributors and buyers shall be registered as a mandatory requirement in order to produce, sell, distribute, and/or purchase newsprint and wood pulp as from the enactment of the Law. It also contains a series of temporary clauses, specifically and exclusively addressed to Papel Prensa, whereby Papel Prensa is forced to make investments to meet the total national demand for newsprint - excluding from this requirement the other existing company that operates in the country with installed capacity to produce this input. The Law also provides for the capitalization of the funds eventually contributed by the National Government to finance these investments for the purposes of increasing the equity interest and the political rights of the National Government in Papel Prensa, contravening public order regulations contained in Law 19,550 and disregarding several constitutional rights and guarantees of Papel Prensa and its private shareholders.

On February 10, 2012 AGEA registered in the National Registry of Producers, Distributors and Sellers of Wood Pulp and Newsprint (Record No. 63 in File No. S01:0052528/12), clearly stating that the decision to register shall not be construed as an acknowledgment or conformity with the legitimacy of Law 26,736, Resolution No. 9/2012 issued by the Ministry of Economy and Public Finance and SCI Resolution No. 4/2012 issued in connection with such Law and/or any other issued in the future, since they seriously affect several rights and guarantees of AGEA which are recognized and protected by the Argentine National Constitution.

IV. On September 12, 2011, the CNV issued Resolution No. 16,647 whereby it rendered irregular and with no effect for administrative purposes the decisions made by Papel Prensa's Board of Directors at the meetings held on July 20, 2011 and August 5, 2011. At those meetings, the Board of Directors had called two shareholders' meetings, to be held on September 27, 2011 and September 15, 2011, respectively. Notwithstanding the fact that Resolution No. 16,647 was appealed by Papel Prensa and is therefore not final, on September 15, 2011, Commercial Court No. 5, Clerk's Office No. 9, issued an injunction with respect to the Board of Directors' decisions to call the two shareholders' meetings. The injunction had been requested by the shareholders Arte Gráfico Editorial Argentino S.A., Compañía Inversora en Medios de Comunicación (CIMECO) S.A., and S.A. La Nación. Given that the issuance of the injunction had validated Papel Prensa's decision to call the two shareholders' meetings, both were held as originally scheduled. Nevertheless, and based on the above Resolution No. 16,647, on October 13, 2011 the CNV issued Resolution No. 16,671 rendering irregular and with no effect for administrative purposes all of the decisions made at Papel Prensa's Shareholders' Meetings held on September 15, 2011 and September 27, 2011. Papel Prensa filed an appeal against Resolution No. 16,671, which is, therefore, not final. Also based on Resolution No. 16,647, on November 16, 2011, the CNV issued Resolution No. 16,691 whereby the CNV rendered irregular and with no effect for administrative purposes the decisions made at the Board of Directors' Meeting held on October 3, 2011 and the call for the Board of Directors' meeting on November 17, 2011. Such Resolution is not to be deemed final since Papel Prensa filed an appeal and requested its nullification. In this sense, of particular note is that: (i) at the hearing held before Federal Commercial Court No. 26 of First Instance, Clerk's Office No. 52, the National Government, Papel Prensa, AGEA, Compañía Inversora en Medios de Comunicación (CIMECO) S.A. and S.A. La Nación agreed, among other things, on the composition of the company's corporate bodies, and in particular on the recognition of the authorities appointed by the private shareholders at Papel Prensa's

Shareholders' meeting held on September 27, 2011, as well as on the agenda to be addressed at the meeting of Papel Prensa's Board of Directors of October 3, 2011, which had been the subject matter of Resolution No. 16,691; and (ii) at the hearing held in April 2012 before the same Commercial Court the National Government, Papel Prensa, AGEA, Compañía Inversora en Medios de Comunicación (CIMECO) S.A. and S.A. La Nación, with the assistance of the Argentine Securities Commission, agreed to request the court to order a shareholders' meeting with an agenda substantially similar to that of Papel Prensa's Shareholders' Meeting held on September 27, 2011. The request was granted by the intervening judge and the meeting was scheduled for August 29, 2012. The meeting began on that date but, as a consequence of certain disturbances provoked by the representative of the National Government, the private shareholders that were present at the meeting decided to adjourn it for 48 hours without addressing the agenda. After that, and notwithstanding the resolution adopted at the meeting, on August 31, 2012 Judge O'Reilly decided to order that the adjourned meeting would resume on September 25, 2012. However, the meeting was not held because the Judge subsequently held that the appeals filed against other points of her decision resulted in the suspension of every point of the decision she had rendered, including the new date scheduled for the meeting, even though all appellants had consented to that point. Therefore, the new date of the court-convened meeting that began on August 29, 2012 may not be set until the Supreme Court has rendered its decision about the appeals against Judge O'Reilly's decision of August 31, 2012. Once that occurs and the file is sent back to the original court, Judge O'Reilly shall set a new date to resume the meeting.

V. AGEA has not recorded any impact in connection with the foregoing, since its effects shall depend on the final outcome. Such effects are not expected to be material to these financial statements.

Note 9

Regulatory framework for audiovisual communication services

Until the enactment of Audiovisual Communication Services Law No. 26,522, the installation, operation and acquisition of audiovisual communication services in Argentina were governed by Broadcasting Law No. 22,285. Cable TV activities were regulated and overseen mainly by the COMFER.

Under Law No. 22,285 broadcasting service companies in Argentina required a non-exclusive license from the COMFER in order to operate. Other approvals were also required, including the authorization from 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. Both Cablevisión and its subsidiaries and other subsidiaries of Grupo Clarín that render broadcasting services, hold licenses granted by the COMFER under such Law. Some of Cablevisión's licenses, including its original license (with and extended term that originally expired on March 31, 2006), and the licenses of other 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 shall be 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's 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 Cablevisión, as well as the terms of the licenses to which

Cablevisión became the universal successor, and the licenses of other subsidiaries, are currently suspended for ten years.

COMFER Resolution No. 275/09 lifted a suspension of license grants that had been ordered by COMFER Resolution No. 726/00 and approved the Rules governing the licensing of Broadcasting and Supplementary Services by means of a physical link, and set a term to apply for licenses under an abbreviated procedure. Therefore, Cablevisión and certain subsidiaries purchased bidding forms to apply for new licenses through this option in such locations where they had not obtained the suspension of the term ordered by Decree No. 527/05, since the terms of those licenses had expired.

Cablevisión has requested the COMFER's approval of several transactions, including certain company reorganizations and share transfers. The request for approval of the merger of Cablevisión and its subsidiaries (see Note 8.1.d.) is still pending.

The Audiovisual Communication Services Law (Law No. 26,522) 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 enacted. Therefore, Law No. 22,285 still applies with respect to those matters which to date have not been regulated, until all terms and procedures for the regulation of the new law are defined.

The law provides for the replacement of the COMFER with the Audiovisual Communication Services Law Federal Enforcement Authority (AFSCA, for its Spanish acronym) as a decentralized and autocratic agency under the jurisdiction of the Executive Branch, and vests the new agency with authority to enforce the law. It may be argued that, as of the date of these financial statements, AFSCA has not yet been fully formed and, therefore, its functioning is still questionable.

The new law, which governs the audiovisual communication services activities conducted by the Company through its subsidiaries, establishes, among other things,:

- A license award and review scheme that grants wide discretion to the Executive Branch and to an Enforcement Authority with questionable composition and powers,
- A 10-year limitation to the terms of licenses, with a one-time non-renewable extension,
- The non-transferability of authorizations and licenses,
- A regulatory framework and registration requirements for signals, production companies and advertising agencies,
- A multiple license scheme that: i) restricts to 10 the number of Audiovisual Communication Service licenses, plus a single broadcasting signal for radio, broadcast TV and subscription cable TV services that make use of the radio spectrum; ii) restricts the licensing of subscription broadcasting services rendered by means of a physical link (cable), limiting the number of licenses to 24; iii) sets forth a further restriction on these services, which may not be provided to more than 35% of all inhabitants or subscribers nationwide; iv) establishes that a broadcast TV signal and a cable TV signal may not be simultaneously exploited in the same location, and v) establishes that broadcast TV networks may only own one cable TV signal. The same applies to cable TV networks, which may only own the so-called “local channel”, which is mandatory for every license
- Mandatory quotas for certain types of content.

Also controversially, the law sets forth retroactive effects by requiring holders of current broadcasting licenses - which were legitimately acquired rights under Law No. 22,285 as amended - to conform to the new law within the term of one year counted as from the time certain mechanisms required for implementation are set in place.

It is publicly known that several concerns have been expressed about this law, since it has defects that render it unconstitutional; it seriously damages the development of the audiovisual industry and it restricts fundamental freedoms. Some of these industry players, among them Grupo Clarín and its main subsidiaries, have already made court filings in this sense. As of the date of these financial statements, insofar as the Company is concerned, two preliminary injunctions are in full force and effect providing for: (i) the provisional suspension of section 161 of the Audiovisual Communication Services Law

with respect to Grupo Clarín, Cablevisión and other subsidiaries, which has been confirmed by the Supreme Court of Argentina, and (ii) at the request of the Consumer Defense Committee, the suspension of the application of sections 45, 161 and 62 through 65 of such Law. Even though this decision has been partially revoked by the Federal Court of Appeals of Salta, the Court of Appeals' decision may be deemed not to be final since the affected party filed an extraordinary appeal, thereby restoring the effects of the decision rendered in the first instance.

Regarding the suspension of Section 161 referred to under point (i) above, it should be noted that the Supreme Court of Argentina had confirmed both the injunction and the term of three years set by Chamber I of the Federal Court of Appeals on Civil and Commercial Matters, only changing the date as from which such term had to be calculated. According to such decision, the application of Section 161 was suspended for plaintiffs until December 7, 2012, after which date Section 161 of Law 26,522 could be applicable to the Company and its subsidiaries.

In light of certain delaying maneuvers carried out by the National Government, aimed at avoiding a decision on the constitutionality of such law before the date mentioned above, on December 6, 2012 the same Court of Appeals extended the effectiveness of the injunction then in force until a final judgment is rendered on the merits of the case. Against such decision, the National Government filed an appeal directly before the Supreme Court of Argentina. The Court dismissed in-limine the appeal filed by the National Government on December 10, 2012 on the grounds that there were no urgent reasons to decide on the matter, maintaining the effectiveness of the injunction. The National Government filed a Federal Extraordinary Appeal, which was granted by the Court of Appeals on December 19, 2012 and is currently pending before the Supreme Court of Argentina.

On December 14, 2012 the Company was served with the decision rendered by the Court of First Instance on the merits of the case in re “Grupo Clarín S.A. and Other v. the Executive Branch on Declaratory Action” (File 119/10). The judge recognized the legitimacy of the

plaintiffs to bring an action, considering them holders of the licenses, but rejected the unconstitutionality claim with legal costs to be borne by the claimant. An appeal was filed against that decision in due time and form and is now pending before the Court of Appeals. Subsequently, the Court of Appeals shall order the parties to provide grounds for the appeal filed (see Note 25).

On December 17, 2012, the Company, Cablevisión, Artear and Radio Mitre were served with AFSCA/12 Resolution No. 2276, whereby the AFSCA decided to commence the official transfer procedure, further ordering the appraisal by the Court of Appraisals of Argentina of the licenses and the indispensable assets related to broadcast services and ordering both companies to respond, within the framework of that procedure, to a request for information about the licenses and/or services directly or indirectly owned by them. Those companies challenged AFSCA's resolution because it violates the injunction granted and extended by Chamber No. 1 of the Federal Civil and Commercial Court of Appeals.

The Executive Branch has regulated most sections of Law No. 26,522 by means of Decree No. 1,225/2010. The most notably arbitrary provision of this decree is the highly discretionary mandatory divestiture system set forth to regulate Section 50 of the Audiovisual Communication Services Law, which has evident confiscatory effects.

Additionally, AFSCA has issued Resolution No. 432/2011, whereby it approved new bidding terms and conditions for the granting of licenses.

Even though Grupo Clarín's subsidiaries have challenged the validity or constitutionality of some regulations imposed by the Enforcement Authority, they have fully complied with the required procedures only in the event that such requirements may be considered valid, for the purposes of safeguarding their rights.

Cablevisión complied with AFSCA Resolution No. 296/2010, which provides guidelines for the organization of the programming grid that must be followed by the owners of pay TV audiovisual services. This resolution regulates section 65, subsections a) and b) of Law No. 26,522. The Resolution supplements the

provisions of the regulations to the same section of Decree No. 1,225/2010. Cablevisión believes that both the provisions of Decree No. 1,225/2010 and AFSCA Resolution No. 296/2010 are regulatory abuses and violate the right to freedom of press, guaranteed by the National Constitution.

In spite of Cablevisión's efforts to organize its programming grids in accordance with the provisions of section 65 of Law No. 26,522, AFSCA has disregarded the effectiveness of several court decisions ordering the suspension of this law and its regulations and has initiated multiple summary proceedings in connection with the cable television licenses of which Cablevisión is the lawful successor. AFSCA contends that Cablevisión failed to comply with the regulations set forth by AFSCA Resolution No. 296/2010. Cablevisión submitted the responses set forth under section 1, Exhibit II of AFSCA Resolution No. 224/2010 in connection with such accusations. A decision has been rendered on some of the summary proceedings and, as a result, a fine was imposed on Cablevisión. Cablevisión has appealed these decisions. Some of the appeals filed by Cablevisión have been decided against it and have again been appealed.

To date, two court decisions that order the inapplicability of Resolution No. 296/2010 are still in effect, to wit: i) the injunction issued in re "CODELCO v. NATIONAL GOVERNMENT -EXECUTIVE BRANCH on PRELIMINARY INJUNCTION" pending before the Federal Court of Salta, which suspended, among other things, the application of section 65 of Law No. 26,522 and its regulations. Even though such decision was revoked by the Federal Court of Appeals of Salta, the Court of Appeals' decision may be deemed not to be final since the affected party filed an extraordinary appeal, thereby restoring the effects of the decision rendered in the first instance and ii) the injunction ordered in re "CABLEVISIÓN S.A. v. NATIONAL GOVERNMENT AND OTHERS ON COMPLAINT FOR THE PROTECTION OF CONSTITUTIONAL RIGHTS" by the Federal Court of Appeals of Mar del Plata, whereby the decision rendered in the First Instance was revoked. Such decision rendered in the First Instance had ordered the dismissal of Cablevisión's request, ordering AFSCA to suspend - until a final decision was rendered

on the matter - the application of the penalties derived from the alleged non-compliance with section 65 of Law No. 26,522 and Decree No. 1,225/2010 and the application of section 6 of AFSCA Resolution No. 296/2010 on the grounds that Cablevisión's alleged serious non-compliance was not contemplated in the Law or in the Decree. The National Government filed an appeal with the Supreme Court against this decision. Such appeal is still pending resolution.

In re "AFSCA v. CABLEVISION SA Decree 1225/10 - RES. 296/10 on/ Proceeding leading to a declaratory judgment" currently pending before the Federal Court of First Instance on Administrative Matters No. 9, on May 16, 2012 the Court granted an injunction that had been requested by AFSCA, ordering Cablevisión and/or the pay television audiovisual services it exploits to conform to Section 65, paragraph 3 b) of Decree No. 1225/2010 and Sections 1, 2, 3, 4 and 5 of AFSCA Resolution No. 296/2010, until a final judgment is rendered on the merits of the case. Cablevisión appealed such injunction.

On August 6, 2012, Cablevisión was served notice of a decision rendered by the Federal Court of First Instance on Administrative Matters No. 9 of the City of Buenos Aires, whereby it imposed a fine on Cablevisión of Ps. 20,000 per day for each day of delay in conforming to the injunction that ordered Cablevisión to comply with Section 65 of Decree No. 1225/2010 and AFSCA Resolution No. 296/2010. Cablevisión appealed such fine. As of the date of these financial statements, the appeals filed against the injunction and the fine referred to above are still pending before Chamber No. 4 of the Federal Court of Appeals on Administrative Matters.

Between September and October 2011, AFSCA brought 46 charges of delegation of the exploitation of several licenses of which Cablevisión is currently the legal successor. The charges were brought within the framework of COMFER file No. 2,005/08, concerning the registration of the corporate reorganization whereby Multicanal and Teledigital, among other subsidiaries, merged into Cablevisión. Cablevisión has submitted the appropriate responses on behalf of the merged licensees charged as indicated above, which to date have not been decided upon. Cablevisión believes it has strong grounds to reverse the charges

brought by administrative and/or judicial means. As of the date of these financial statements, the responses submitted are still pending resolution.

The Company and its subsidiaries are evaluating the possible effects on their business of such questioned Audiovisual Communication Services Law, its implementing regulations and the matters mentioned above. Depending on several aspects, the Company and/or some of its subsidiaries could be forced to divest of certain services, which shall in turn depend on the choices made by the Company and/or its subsidiaries.

All of the above could result in a reduction of the services the Company currently renders, the ownership and rights of which were acquired in compliance with Law No. 22,285. Therefore, at present this situation generates uncertainties about the business of the Company and its subsidiaries, which could significantly affect the recoverability of the Company's relevant assets.

In re "Grupo Clarín S.A. and others v. the Executive Branch on/Declaratory Action" (File No.119/10), the accounting and economic experts have submitted their reports where, among other things related to the claim, have estimated the potential accounting and company value losses the Company would suffer if compelled to make divestitures in the final term of one year. Based on the experts' exclusive assumptions, this situation could result in potential accounting losses ranging from Ps. 1.5 billion and Ps. 3.3 billion and a potential significant impairment of the company value. However, the experts have stated that these estimates will depend on several decisions that have not yet been made by the plaintiffs and, therefore, the actual outcome could differ from their estimates.

In this sense, AFSCA's application of other interpretations of the law and/or its regulation may allow for taking different actions than those taken by expert witnesses, which may produce different results to those originally estimated by the latter.

However, taking into account the new developments that have been taking place regarding AFSCA's interpretations concerning other companies subject to the Law, there are uncertainties for the Company as to the

effects that would be derived from the eventual concrete application of such law, which may vary if a wide or restrictive interpretation of the law prevails and, therefore, the corresponding actions to be taken by the Company. The Company continues analyzing the economic impact and the possible consequences that would be derived from an improbable but possible unfavorable judgment. For this reason, the Company cannot accurately quantify the eventual impact on these financial statements.

However, the recoverability of the Company's assets could be unaffected if the Company's and other parties' main arguments were adopted to create a framework of increased rationality, either by the amendment, repeal or declaration of unconstitutionality of the new media law and/or its implementing regulations.

The Company and its legal advisors consider that this Audiovisual Communication Services law and its implementing regulations violate fundamental constitutional rights, such as, the property right and freedom of the press, among others. For this reason, it will bring the legal actions in each instance to safeguard its rights and those of its shareholders; as well as to protect the fundamental principles infringed by such law.

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

Other Matters Related to the COMFER, now AFSCA.

Cablevisión

As from November 1, 2002 and until December 31, 2012, the COMFER and AFSCA initiated summary administrative proceedings against Cablevisión and Multicanal (merged into Cablevisión) for infringements of regulations regarding the content of programming. Accordingly, a provision has been set up in this regard.

ARTEAR

As of December 31, 2012, ARTEAR recorded a provision in the amount of approximately Ps.

7.8 million for fines imposed by the COMFER and AFSCA, some of which have been appealed and are pending resolution.

Note 10

Call options

ARTEAR

Pursuant to ARTEAR's acquisition of 85.2% of its subsidiary Telecor's capital stock in 2000, Telecor's sellers have an irrevocable put option of the remaining 755,565 common, registered, non-endorsable shares, representing 14.8% of the capital stock and votes of Telecor, for a 16-year term as from March 16, 2010 at a price of USD3 million and ARTEAR has an irrevocable call option for such shares for a term of 26 years as from March 16, 2000 at a price of approximately USD4.8 million, which will be adjusted at a 5% nominal annual rate as from April 16, 2016. Subsequently, under an addendum to the original agreements, the beginning of the effectiveness of the irrevocable put option was changed from March 16, 2010 to March 16, 2013.

CMD

Pursuant to CMD's acquisition of 60.0% of Interpatagonia S.A.'s capital stock in 2007, CMD and the sellers granted each other reciprocal call and put options on all of the shares owned by each of the parties, effective from August 1, 2011 to July 31, 2012.

Subsequently, in connection with the acquisition mentioned in Note 12.e., on August 17, 2011, CMD and the seller executed a new agreement whereby they granted each new reciprocal call and put options on all of the shares owned by each of the parties. The price of the shares varies depending on who exercises the option, which is effective from August 1, 2014 to December 31, 2014.

The balances arising from the put options mentioned above are disclosed in the item Other Current and Non-Current Liabilities of the Balance Sheet, with an offsetting entry in Other Reserves and Non-Controlling Interest under Equity.

Note 11

Financial instruments

11.1 - Financial Risks Management (*)

(*) The amounts included in this note are stated in millions of Argentine pesos.

Grupo Clarín is a party to transactions involving financial instruments, which entail exposure to market, currency and interest rate risks. The management of these risks is based on the particular analysis of each situation, taking into account its own estimates and those made by third parties of the evolution of the respective factors.

	December 31, 2012	December 31, 2011
Loans ⁽ⁱ⁾	3,187	3,192
Less: Cash and Cash Equivalents		
- Cash and Banks	(623)	(629)
- Other Current Investments	(681)	(236)
Net Debt	1,883	2,327
Adjusted EBITDA	2,773	2,476
Debt-to-Equity Ratio	0.68	0.94

(i) Long-term and short-term loans, including derivatives and financial guarantee agreements.

The debt-to-equity ratio is reasonable compared to other industry players and considering the particular situation of Argentina and of the companies that make up Grupo Clarín.

11.1.1 Capital Risk Management

Grupo Clarín manages its capital structure seeking to ensure its ability to continue as an ongoing concern, while maximizing the return to its shareholders through the optimization of debt and equity balances.

As part of this process, Grupo Clarín monitors its capital structure through the debt-to-equity ratio, which is equal to the quotient of its net debt (Debt less Cash and Banks and Other Current Investments) divided by its adjusted EBITDA.

The debt-to-equity ratio for the reporting years is as follows:

11.1.2 Categories of Financial Instruments

	December 31, 2012	December 31, 2011	January 1, 2011
Financial Assets			
Loans and Receivables ⁽¹⁾			
- Cash and Banks	623	629	332
- Current Investments	235	75	64
- Receivables ⁽²⁾	2,171	1,723	1,311
At fair value with an impact on net income			
- Current Investments	550	172	191
- Derivatives	-	-	37
Total Financial Assets	3,579	2,599	1,935
Financial Liabilities			
At amortized cost			
- Debt ⁽³⁾	3,187	3,192	2,378
- Accounts Payable and Other Liabilities ⁽⁴⁾	2,185	1,967	1,640
At fair value with an impact on net income			
- Derivatives	4	8	-
Total Financial Liabilities	5,376	5,167	4,018

(1) Net of the allowance for doubtful accounts in the amount of approximately Ps. 126 million, Ps. 114 million and Ps. 113 million, respectively.

(2) Includes receivables with related parties in the amount of approximately Ps. 80 million, Ps. 59 million and Ps. 63 million, respectively.

(3) Includes loans with related parties in the amount of approximately Ps. 19 million as of December 31, 2012 and 2011 and Ps. 10 million as of January 1, 2011.

(4) Includes debt with related parties in the amount of approximately Ps. 87 million, Ps. 120 million and Ps. 78 million, respectively.

11.1.3 Objectives of Financial Risk Management

Grupo Clarín monitors and manages the financial risks related to its operations; these risks include market risk (including exchange risk, interest rate risk and equity price risk), credit risk and liquidity risk.

Grupo Clarín does not enter into financial instruments for speculative purposes as common practice.

11.1.4 Exchange Risk Management

Grupo Clarín enters into certain foreign currency transactions; therefore, it is exposed to fluctuations of exchange rates.

Certain subsidiaries of Grupo Clarín have entered into foreign currency forward transactions, for the purposes of mitigating the adverse effects that future exchange rate fluctuations may eventually have on foreign currency liabilities and, therefore, on the Company's financial position. The Company cannot assure that those operations will protect its financial position from the eventual negative effect of exchange rate fluctuations.

The following table shows the monetary assets and liabilities denominated in US dollars, the main foreign currency involved in Grupo Clarín's transactions, at the closing of the years ended December 31, 2012 and 2011:

	USD (in millions) December 31, 2012	USD (in millions) December 31, 2011
Assets		
Other Receivables	11	5
Trade Receivables	26	25
Other Investments	77	27
Cash and Banks	61	49
Total Assets	175	106
Liabilities		
Long-Term Debt	620	678
Sellers financing	-	1
Other Liabilities	6	2
Trade Payables and Other	32	47
Total Liabilities	658	728

The Central Bank of Argentina and the Argentine Federal Revenue Service issued certain resolutions related to the exchange market, establishing regulations on the requirements for accessing such market. These financial statements have been prepared based on the assumption that the Company will be able to access such market in order to purchase the foreign currency needed to meet its obligations.

11.1.4.1 Foreign Exchange Sensitivity Analysis

Grupo Clarín is exposed to exchange risk, mainly with respect to the US dollar.

Taking into consideration the balances disclosed above, Grupo Clarín estimates that the impact of a 10% favorable/unfavorable fluctuation of the US dollar exchange rate would generate an income/loss before taxes of approximately Ps. 238 million and Ps. 267 million as of December 31, 2012 and 2011, respectively. While income from foreign exchange agreements in case of a 10% favorable/unfavorable fluctuation of the US dollar exchange rate would generate income before taxes in the amount of approximately Ps. 5 million and Ps. 23 million as of December 31, 2012 and 2011 or a loss before taxes in the amount of approximately Ps. 5 million and Ps. 21 million as of December 31, 2012 and 2011, respectively.

The sensitivity analysis presented above is hypothetical since the quantified impact is not

necessarily an indicator of the actual impact, because exposure levels may vary over time.

Additionally, even though Grupo Clarín conducts its operations in Argentine pesos, an eventual devaluation of such currency may have an indirect impact on its operations, depending on the ability of the suppliers involved to adjust their prices to such effect.

11.1.5. Interest Rate Risk Management

Grupo Clarín is exposed to interest rate risk basically through Cablevisión and its subsidiaries. This is due to the fact that these companies have taken loans at fixed and variable interest rates and have not entered into hedge agreements to mitigate these risks. If interest rates had eventually been 100 basic points higher and all the variables had remained constant, the additional estimated loss before taxes would have been of approximately Ps. 6.2 million and Ps. 3.7 million as of December 31, 2012 and 2011, respectively.

11.1.6. Equity Price Risk Management

Grupo Clarín is exposed to equity price risk in connection with its holdings of mutual funds, securities and bonds and foreign exchange agreements.

Its sensitivity to the variation in the price of these instruments is detailed below:

	December 31, 2012	December 31, 2011
Investments valued at quoted prices at closing	390	60
Other debt instruments valued at quoted prices at closing	4	8

The estimated impact of an eventual 10% favorable/unfavorable fluctuation of the quoted price of mutual funds, assuming that all the other variables remain constant, would generate an income/loss before taxes of approximately Ps. 39 million and Ps. 6 million as of December 31, 2012 and 2011, respectively. While income from foreign exchange agreements in case of a 10% favorable/unfavorable fluctuation of the US dollar exchange rate would generate income before taxes in the amount of approximately Ps. 5 million and Ps. 23 million as of December 31, 2012 and 2011 or a loss before taxes in the amount of approximately Ps. 5 million and Ps. 21 million as of December 31, 2012 and 2011, respectively.

11.1.7 Credit Risk Management

Credit risk is defined as the risk that one of the parties may breach its contractual obligations, generating an eventual financial loss for Grupo Clarín.

Credits involving the Cable Television and Internet Access Segment

The credit risk affects cash and cash equivalents, deposits held at banks and financial institutions, as well as credit exposures with clients, including other remaining credits and transactions involved. The companies that operate in this segment actively monitor the credit worthiness of their treasury instruments and the counterparties related to derivatives in order to minimize credit risk. Upon expiration of invoices issued, if they are still outstanding, these companies file several claims for collection purposes.

Bank deposits are held in renowned institutions.

No significant credit risk concentration is observed concerning clients, due to the atomization of the subscriber base.

As of December 31, 2012 and 2011, non-impaired past due trade receivables amounted to approximately Ps. 231.3 million and Ps. 149.6 million, respectively. These receivables involve subscribers without any recent insolvency record.

As of the same dates, the allowance for bad debts amounted to Ps. 79.2 million and Ps. 73.4 million, respectively. This allowance for trade receivables is sufficient to cover the past due doubtful receivables.

Credits of the Printing and Publishing Segment

The companies that operate in this segment conduct an analysis of the clients' financial position at the beginning of the business relationship, through a credit risk report requested from several credit rating agencies. The credit amount granted to each client is monitored on a daily basis, with reports being submitted to the financial management.

The credit risk affects cash and cash equivalents, deposits held at banks and financial institutions, as well as credit granted to clients.

The maximum theoretical credit risk exposure of the companies operating in this segment is represented by the book value of net financial assets, disclosed in the consolidated balance sheet.

For the purposes of conducting an analysis of the suitability of the allowance for bad debts, these companies consider each client on a case by case basis, verifying, among other factors, if there is any record of delinquency, risk of bankruptcy, insolvency proceeding or other judicial proceeding. Trade receivables comprise a significant number of clients and are internally classified among the following categories: Advertising, Official, Distribution, Internet and Subscriptions, among others.

The companies that operate in this segment have recorded an allowance for doubtful accounts accounting for 4% of accounts receivable as of December 31, 2012 and 2011.

The companies that operate in this segment did not set up an allowance for bad debts for those amounts in which no significant change was recorded in the credit rating, considering such amounts as recoverable.

The companies that operate in this segment have a wide range of clients, including individuals, businesses - medium-and-large-sized companies - and governmental agencies. Therefore, these companies' receivables are not subject to credit risk concentration.

Credits from the Broadcasting and Programming Segment

Credit risk represents for the companies that operate in this segment the risk of incurring in losses arising from possible breaches of the

contractual obligations assumed by business or financial counterparties. This risk may be due to economic or financial factors, or to particular circumstances of the counterparty, or to other economic, commercial or administrative factors.

Credit risk affects cash and cash equivalents, deposits held at banks and financial institutions in a wide sense, and every form of credit granted to the companies that operate in this segment. The maximum exposure to credit risk is represented by the value of financial assets considered as a whole, recorded in the Consolidated Balance Sheet under Cash and Banks, Other Investments, Trade Receivables and Other Receivables.

Financial instruments are executed with creditworthy banks and financial institutions renowned in the market and for terms not longer than three months. In this sense, the companies that operate in this segment have a policy of diversifying their investments among different banks and financial institutions, thus reducing the concentration risk in only one counterparty.

As to the credit risk related to financial credit, the companies that operate in this segment evaluate the credit standing of the different counterparties to define their investment levels, based on their equity and credit rating. As to Trade Receivables, such companies have a wide range of clients, categorized depending on the type of business. These categories are: Advertising, Signals, Programming and other. Within this classification, clients can also be classified as advertising agencies, direct advertisers, distributors of cable TV, broadcast TV stations and other, each of them of a

different magnitude. Due to this diversity of clients, there is not a significant credit risk concentration in this respect.

The allowance for bad debts is set up upon conducting an analysis of the debtor portfolio, which is recorded as follows:

- In the case of individual risks identified (risks of bankruptcy, insolvency proceedings or judicial proceedings pending with the company), for its total value.
- The rest of the cases is decided based on the aging of the past due debt, the progress of the collection procedures, the solvency conditions and the variations observed in the clients' settlement periods.

11.1.8. Liquidity Risk Management

Liquidity risk is the risk that Grupo Clarín may not be able to fulfill its financial obligations at maturity. Grupo Clarín manages liquidity risk through the management of its capital structure and, if possible, the access to different capital markets. It also manages liquidity risk through a constant review of the estimated cash flows to ensure that it will have enough liquidity to fulfill its obligations.

In February 2011, Cablevisión refinanced part of the financial debt, extending the maturity terms with respect to the previous debt.

11.1.8.1 Interest Rate Risk and Liquidity Risk Table

The following table shows the breakdown of financial liabilities by relevant groups of maturities based on the remaining period as from the date of the balance sheet through the contractual maturity date. The amounts disclosed in this table represent undiscounted cash flows (principal plus contractual interest).

Information as of December 31, 2012:

Maturities	Long-Term Debt	Other Debts
Matured	-	508
Without any established term	1	195
First Quarter 2013	274	1,202
Second Quarter 2013	127	225
Third Quarter 2013	201	12
Fourth Quarter 2013	94	10
More than 1 year	3,266	154
	3,963	2,306

Information as of December 31, 2011:

Maturities	Long-Term Debt	Other Debts
Matured	-	332
Without any established term	-	268
First Quarter 2012	271	1,085
Second Quarter 2012	79	169
Third Quarter 2012	207	19
Fourth Quarter 2012	165	15
More than 1 year	3,591	199
	4,313	2,087

11.1.9 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 year:

	December 31, 2012	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
Assets			
Current Investments	550	390	160
Liabilities			
Financial Instruments	4	-	4

	December 31, 2011	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
Assets			
Current Investments	172	60	112
Liabilities			
Financial Instruments	8	-	8

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

11.1.10 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 fair value of non-current financial liabilities accounts for the estimated amount that would be required to settle the liabilities and is estimated based on the current rates available to Grupo Clarín for the liabilities with similar terms (currency and remaining term).

The following table shows the estimated fair value of non-current financial liabilities:

	December 31, 2012		December 31, 2011	
	Book Value	Fair Value	Book Value	Fair Value
Non-Current Debt	2,683	2,469	2,749	2,576

Note 12

Interests

a. During 2007, AGEA increased its interest in CIMECO from 33.3% to 50.0%, and executed call and put options on an additional interest in CIMECO's capital stock. During 2008, AGEA partially assigned the rights and obligations arising from such options to its subsidiary AGR and to the Company. Subsequently, in 2008, AGEA, AGR and the Company exercised such call option, increasing, directly and indirectly, the Company's equity interest in CIMECO and Papel Prensa to 100% and 49%, respectively.

On April 10, 2008, the Company and the parties to the above-mentioned transaction notified CNDC of such transaction and on May 12, 2008 filed form F-1. After such notice and as of the date of these financial statements, the Company submitted additional information requested by the CNDC. As of the date of these financial statements, the above transaction is subject to administrative approvals.

b. On January 11, 2008, IESA acquired the controlling interest of a group of companies mainly engaged in sports journalism, production and commercialization of shows, and the production of motor racing television broadcasting. The share purchase agreement sets forth certain objectives to be met by such group of companies. In case of breach of such provision, the sellers shall have to pay an indemnification. These transactions are subject to administrative approvals.

c. On September 2, 2008, ARTEAR increased its equity interest in Pol-Ka and SB Producciones S.A. to 55% of such companies' capital stock and votes, thus acquiring a controlling interest in both companies, in which it previously exercised common control. These transactions are subject to administrative approvals.

d. On February 10, 2011, CMD sold to a third party all of its shares of Dinero Mail, for approximately USD 4.4 million in cash; part of the price was withheld as guarantee.

e. On August 17, 2011, CMD executed a stock purchase agreement, whereby it increased by 20% its interest in Interpatagonia S.A., where it now holds 80% of the capital stock. CMD paid approximately Ps. 4.3 million in consideration for the shares.

f. On October 3, 2011 the Company's subsidiary AGR acquired 65.46% of the capital stock and votes of Cúspide Libros S.A. and 2.40% of the capital stock and votes of Librerías Fausto S.A.C.E.I. (controlled by Cúspide Libros S.A.). The transaction amounted to USD 2.8 million and Ps. 3.8 million.

g. On July 15, 2012, subject to the fulfillment of certain conditions precedent, each of Cablevisión's Paraguayan subsidiaries (Cable Visión Comunicaciones S.A., Televisión Dirigida S.A., Consorcio Multipunto Multicanal S.A. and Producciones Unicanal S.A.) entered into an agreement with a Paraguayan company, whereby they agreed to assign most of their assets and operations. Such conditions precedent were fulfilled on October 1, 2012 and the agreed-upon assignment was executed for a total consideration of USD 142.4 million. Out of that amount, USD 6.7 million was held in escrow. As a result of that operation, Cablevisión obtained a net consolidated gain after taxes of approximately Ps. 444 million, which, taking into consideration the Company's equity interest in Cablevisión, accounts for a gain of approximately Ps. 180 million after taxes.

Cablevisión S.A. had a 70% interest in such subsidiaries and the remaining 30% was held by minority shareholders. On October 1, 2012 the minority shareholders transferred their equity interests to the majority group for a total consideration of USD 31.5 million.

On October 1, 2012, Cablevisión sold its equity interest in Teledeportes Paraguay S.A. for approximately USD 6.8 million. Out of that amount, USD 0.2 million was held in escrow.

Note 13

Discontinued operations

The results of operations of Cablevisión's Paraguayan subsidiaries (see Note 12.g) are disclosed under discontinued operations in these consolidated financial statements.

	December 31, 2012	December 31, 2011
Revenues	234,015,395	237,768,734
Cost of Sales	(105,770,126)	(104,538,099)
Gross income	128,245,269	133,230,635
Administrative Expenses	(51,581,016)	(49,573,719)
Selling Expenses	(16,117,563)	(20,626,307)
Financial Income	3,943,864	4,274,617
Financial Costs	(4,140,628)	(8,165,166)
Other Income and Expense, net	519,586,568	(890,248)
Income before Income Tax	579,936,494	58,249,812
Income Tax	(57,630,783)	(10,823,319)
Income for the year from discontinued operations	522,305,711	47,426,493

For a better understanding of the Consolidated Statement of Cash Flows, below is a detail of the total net balances from discontinued operations (in millions of Ps.):

	December 31, 2012	December 31, 2011
Cash flows (used in) / generated by operating activities	(168,265,638)	46,336,087
Cash flows generated by (used in) investing activities	172,946,069	(34,847,951)
Cash flows generated by (used in) financing activities	68,719,855	(654,758)
Financial results generated by (used in) cash	4,024,959	(390,136)
Total Cash provided for the Year	77,425,245	10,443,242

Note 14

Reserves, retained earnings and dividends

	December 31, 2012	December 31, 2011
Balances at the beginning of the year:		
Legal Reserve	64,740,233	38,054,509
Accumulated Results	1,539,154,967	1,171,087,483
Other Reserves	(18,384,533)	(16,485,290)
Total	1,585,510,667	1,192,656,702
Net Income Attributable to the Parent Company	482,310,720	514,753,208
Dividend Distribution	(135,000,000)	(120,000,000)
Changes in Reserves for Acquisition of Minority Interests	23,591,807	(1,899,243)
Balance at the end of the year	1,956,413,194	1,585,510,667

a. Grupo Clarín

On April 26, 2012, Grupo Clarín's Annual Regular Shareholders' Meeting decided, among other things, to appropriate the accumulated results for the year 2011; which at that time amounted to Ps. 1,540,313,089 as follows:

- (i) Ps. 23,912,434 to the legal reserve,
- (ii) Ps. 135,000,000 to dividend distribution,
- (iii) Ps. 387,028,756 to the judicial reserve for future dividend distribution,
- (iv) Ps. 300,000,000 to the optional reserve for future dividends and (v) Ps. 694,371,899 to the optional reserve for illiquidity of results.

b. Cablevisión

On April 23, 2012, Cablevisión's General

Regular and Special Shareholders' Meeting decided to distribute dividends in the amount of Ps. 217 million, payable in two equal installments, the first one on or before May 24, 2012, as determined by the Board of Directors, and the second one on or before December 31, 2012, as determined by the Board of Directors. Out of such amount, approximately Ps. 87 million corresponds to the non-controlling interest in that company. On April 27, 2012, Cablevisión's Board of Directors, taking into consideration that the company had enough earnings to settle the entire amount of the approved dividends, decided to make available to shareholders, as from such date, the amount of Ps. 217 million.

Note 15

Non-controlling interest

	December 31, 2012	December 31, 2011
Balances as of January 1st	1,063,645,779	936,398,963
Equity in the Earnings of Other Companies for the year	490,020,368	270,856,731
Dividends and Other Movements of Non-Controlling Interest	(290,063,721)	(185,768,664)
Changes in Reserves for Acquisition of Minority Interests	15,782,911	(1,002,358)
Variation in Translation Differences of Foreign Operations	95,183,596	43,161,107
Balance at the end of the year	1,374,568,933	1,063,645,779

Note 16

Balances and transactions with related parties

The following table contains the outstanding balances with related parties:

	December 31, 2012	December 31, 2011	January 1, 2011
Other Receivables			
Non-Current			
Under Joint Control	17,312,664	15,238,424	13,744,482
	17,312,664	15,238,424	13,744,482
Current			
Under Joint Control	3,946,590	1,794,441	6,312,258
Other Related Parties	16,145,105	2,890,965	9,326,197
	20,091,695	4,685,406	15,638,455
Trade Receivables			
Current			
Under Joint Control	41,450,950	36,287,958	33,754,882
Other Related Parties	1,442,310	3,165,717	506,119
	42,893,260	39,453,675	34,261,001

	December 31, 2012	December 31, 2011	January 1, 2011
Trade Payables and Other			
Current			
Under Joint Control	67,957,504	87,458,426	55,397,639
Other Related Parties	18,759,995	32,007,203	21,842,391
	86,717,499	119,465,629	77,240,030
Long-Term Debt			
Non-Current			
Under Joint Control	5,775,689	5,717,866	5,083,272
	5,775,689	5,717,866	5,083,272
Current			
Other Related Parties	13,316,320	13,264,292	5,093,485
	13,316,320	13,264,292	5,093,485
Other Liabilities			
Non-Current			
Other Related Parties	-	-	438,783
	-	-	438,783
Current			
Under Joint Control	-	-	1,805
Other Related Parties	30,336	496,819	465,526
	30,336	496,819	467,331

The following table shows the operations with related parties for the years ended December 31, 2012 and 2011:

	Item	December 31, 2012	December 31, 2011
Under Joint Control	Advertising Sales	50,896,183	50,429,641
	Circulation Sales	10,987	9,000
	Printing Services Sales	1,172,411	-
	Sales of Internet Subscriptions	485,598	639,551
	TV Signals Sales	15,034,057	32,939,584
	Other Sales	8,245,768	7,000,346
	Interest Income	1,788,085	2,305,270
	Productions and Co-Productions	(29,103,994)	(25,888,208)
	Printing and Distribution Costs	(23,612,708)	(11,136,385)
	Rights	(109,539,691)	(154,666,517)
	Advertising and Promotion Expenses	(5,852,531)	(5,214,593)
	Interest Expense	(636,334)	(1,526,196)
	Other Related Parties	Advertising Sales	495,571
Circulation Sales		-	135,540
TV Signals Sales		3,386,741	2,626,686
Other Sales		16,248,805	7,900,163
Other Income		657,543	-
Rentals		(159,121)	(199,357)
Advertising and Promotion Expenses		(1,794,748)	(1,244,364)
Interest Expense		(1,232,274)	(744,480)
Other Purchases		(173,333,619)	(163,285,770)

The fees paid to the Board of Directors and the Upper Management of Grupo Clarín for the years ended December 31, 2012 and 2011 amounted to approximately Ps. 120 million and Ps. 100 million, respectively.

Note 17

Earnings per share

The following table shows the net income and the weighted average of the number of common shares used in the calculation of basic earnings per share:

	December 31, 2012	December 31, 2011
Net Income used in the Calculation of Basic Earnings per Share (gain):		
From Continuing Operations	276,210,672	495,735,174
From Discontinued Operations	206,100,048	19,018,034
	482,310,720	514,753,208
Weighted Average of the Number of Common Shares used in the Calculation of Basic Earnings per Share	287,418,584	287,418,584
Earnings per Share	1.68	1.79

The weighted average of the number of outstanding shares was 287,418,584. Since no debt securities convertible into shares were recorded, the same weighted average should be used for the calculation of diluted earnings per share.

	December 31, 2012	December 31, 2011
Basic and Diluted Earnings per Share		
From Continuing Operations	0.96	1.72
From Discontinued Operations	0.72	0.07
Total Earnings per Share	1.68	1.79

Dividends paid for the year 2012 amounted to Ps. 135,000,000 (Ps. 0.47 per share).

Note 18

Covenants, sureties and guarantees provided

a. Note 5.12 sets forth certain restrictions to which Cablevisión (by itself and as the surviving company and successor to Multicanal's operations after the merger), PRIMA and AGEA are subject under their respective financial obligations described in such note.

b. IESA is subject to contractual restrictions on the transfer of its equity interest in TRISA and Tele Net Image Corp.

c. During the year 2009, AGR purchased a binding machine on credit. To secure the transaction, AGR granted the supplier a pledge over the machine. AGR granted joint and several guarantees for the loans granted by Banco de Inversión y Comercio Exterior and Standard Bank Argentina S.A. to Artes Gráficas del Litoral S.A.

d. In July 2009, the Company executed an agreement securing payment of GCSA Investments' obligations under its loan, as detailed in Note 5.12.4 to these consolidated financial statements.

e. On May 27, 2010, CMD executed a mortgage agreement on a building of its property securing the payment of the obligations under the loan with Banco de la Ciudad de Buenos Aires mentioned in Note 5.12.6.

f. In October 2011, the Company executed agreements securing the payment of certain financing transactions of one of its subsidiaries in the amount of USD 2.9 million, effective from October 2011 to October 2013.

g. On September 25, 2012, GCGC executed a mortgage agreement on a building of its property securing the payment of the obligations under the loan with Banco de la Ciudad de Buenos Aires mentioned in Note 5.12.3. Grupo Clarín acts as guarantor of said financing.

h. On October 12, 2012, the Company executed an agreement securing the payment of the obligations under a loan taken by GCGC with Standard Bank Argentina mentioned in Note 5.12.3.

Note 19

Award of the BID of the city of Buenos Aires

On June 7, 2011, the Government of the City of Buenos Aires issued Decree No. 316 whereby it approved a public bidding process to contract comprehensive digital services for educational purposes for elementary school students in the City of Buenos Aires. Such services include, but are not limited to, the delivery of one netbook per student and one notebook per teacher under a gratuitous bailment agreement, connectivity, first and second level support, content access control, replacement in case of theft or damage and new license, both with certain limitations. The bid was awarded to PRIMA for a five-year term, which will start after certain requirements have been met. As consideration, PRIMA would receive an amount per student, teacher and school.

As of December 31, 2011 the initial requirements had been met in order to bring the agreement into effect and to begin its billing. The agreement has been in effect during the year. No inconveniences have arisen and the Government of the City of Buenos Aires has been honoring the payments in accordance with the bidding terms.

Note 20

Long-term savings plan

During the last quarter of 2007, the Company, together with its subsidiaries, began to implement a PALP for certain executives (directors and managers comprising the "executive payroll"), which became effective in January 2008. Executives who adhere to such plan undertake to contribute regularly a portion of their salary (variable within a certain range, at the employee's option) to a fund that will allow them to strengthen their savings capacity. Each company of the Group where those executives render services will match the sum contributed by such executives. This matching contribution will be added to the fund raised by the employees. Under certain conditions, the employees may access such funds upon termination of their participation in the PALP.

The PALP provides for certain special conditions for those managers who were in the “executive payroll” before January 1, 2007. Such conditions consist of supplementary contributions made by each company to the PALP related to the executive's years of service with the Group. As of December 31, 2012, such supplementary contributions made by the Company on a consolidated basis amount to approximately Ps. 40 million, and the charge to income is deferred until the retirement of each executive.

Pursuant to IAS No. 19, the above-mentioned savings plan qualifies as a Defined Contribution

Plan, which means that the companies' contributions shall be charged to income on a monthly basis as from the date the plan becomes effective.

Note 21

Operating Leases

Lease Agreements

As of December 31, 2012 and 2011, the Company is a party to non-cancellable operating leases, which are currently effective and have different terms and renewal rights. The total amount of minimum future payments for non-cancellable operating leases is the following (in millions of Ps.):

	December 31, 2012	December 31, 2011
1 year	96	43
Between 1 and 5 years	120	60
5 years or more	7	10
	223	113

Note 22

Derivatives

The following is a detail of the derivatives held by the Company (amounts stated in millions of Argentine pesos):

	December 31, 2012		December 31, 2011		January 1, 2011	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Foreign Currency Forward Contracts - Fair Value Hedge	-	4.0	-	8.2	-	-
Interest Rate and Exchange Rate Swap Agreements	-	-	-	-	37.2	-
Total	-	4.0	-	8.2	37.2	-
Less Non-Current Portion:						
Foreign Currency Forward Contracts - Fair Value Hedge	-	-	-	3.9	-	-
Total	-	-	-	3.9	-	-
Current portion	-	4.0	-	4.3	37.2	-

No ineffectiveness has been recorded in connection with fair value hedges.

Note 23


Cablevisión Comunicaciones S.A.'s investment


On December 19, 2012 Cablevisión Comunicaciones S.A. (a subsidiary of Cablevisión) executed a Total Return Swap for USD 40 million which provides for the collection, as from the execution of the agreement, of all principal and interest on the notes issued by Prima and the effective delivery of the notes at first request either in the form of permanent certificates, in book-entry form or as interest on the notes. Such transaction is disclosed net of the total notes in the consolidated financial statements (Note 5.12).

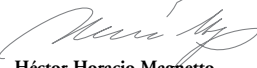
Note 24

Law No. 26,831 Capital markets

On December 28, 2012 Capital Markets Law No. 26,831 (the "Law"), which was 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, regulated until that date by Law No. 17,811, enhancing, among others, the National Government's monitoring powers, as well as changing the authorization, control and monitoring 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. Notwithstanding the foregoing, given that as of the date of these financial statements the CNV had not yet regulated the Law, on January 21, 2013 that agency issued Resolution No. 615 whereby it provided that until the respective regulations are issued, the relevant CNV rules continue to apply (as amended in 2001).


Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

Signed for identification purposes
with the report dated March 08, 2013
Price Waterhouse & Co. S.R.L.
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

Dr. Carlos A. Pace (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106


Héctor Horacio Magnetto
Chairman

Note 25

Subsequent events

In re "Grupo Clarín S.A. and Other v. Executive Branch on Declaratory Action" (File 119/10), mentioned in Note 9, on January 25, 2013 the Company, the National Government and AFSCA, which is also a party to this case, submitted the brief with the grievances caused by the decision rendered in the First Instance, expressing the grounds of their appeal pursuant to applicable law.

The parties were served with those grounds for them to refute them by February 13, 2013. As from that date, the file has been pending before Chamber No. 1 of the Court of Appeals, which shall render a decision on the appeal.

Note 26

Approval of financial statements

Grupo Clarín's Board of Directors has approved the consolidated financial statements and authorized their issue for March 8, 2013.



SUPPLEMENTARY
FINANCIAL INFORMATION

Supplementary Financial Information

As of December 31, 2012

1. Company's 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 and Internet access, Printing and publishing, Broadcasting and Programming, and Digital content and other.

The Company carried out its activities in the challenging context faced as a consequence of constant harassment of the media in general and, specifically, Grupo Clarín. 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 the Broadcasting and Programming Segment, El Trece maintained its positioning among the broadcast stations which the highest audience share. This leading position is mostly

attributable to the performance of its programming grid both during the Prime Time, as well as during other times, with good results for the afternoon and weekend programs, with programs such as "ShowMatch", "Soñando por Cantar", "Noticiero 13" and "Telenoche" in the News Program segment; "Este es el Show", "Soñando por Bailar", "Sos mi Hombre" and "Periodismo Para Todos", among others.

In the Cable Television and Internet Access segment, the Company focused on subscriber loyalty initiatives and on the expansion of its Cablevisión HD and broadband Internet access subscriber base. Fibertel continued to promote Evolution, a 30 Mbps high-speed connectivity product launched in fiscal year 2011, the only one in the market. Progress was also made in the optimization of the reach of digital and premium services to cities and towns in the provinces. On October 1, 2012, Cablevisión S.A.'s subsidiaries completed the assignment of their operations in the Republic of Paraguay (see Note 12.g to these consolidated financial statements).

2. Consolidated financial structure

Note: the amounts are rounded up 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. As established by the CNV through Resolutions No. 562 (amended by Resolution No. 576) and No. 592, the following table shows the balances and results for the year, on a comparative basis with the prior year, both prepared under IFRS.

	December 31, 2012	December 31, 2011
Non-Current Assets	8,303,639	7,791,866
Current Assets	3,699,980	2,855,978
Total Assets	12,003,619	10,647,844
Equity of the Parent Company	4,090,030	3,634,142
Equity of Non-Controlling Interests	1,374,569	1,063,646
Total Equity	5,464,599	4,697,788
Non-Current Liabilities	3,378,694	3,319,250
Current Liabilities	3,160,327	2,630,806
Total Liabilities	6,539,020	5,950,056
Total Equity and Liabilities	12,003,619	10,647,844

3. Consolidated comprehensive income structure

Note: the amounts are rounded up 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. As established by the CNV through Resolutions No. 562 (amended by Resolution No. 576) and No. 592, the following table shows the balances and results for the year, on a comparative basis with the prior year, both prepared under IFRS.

	December 31, 2012	December 31, 2011
Operating Income/Loss from Continuing Operations ⁽¹⁾	1,900,321	1,710,140
Financial Results	(916,154)	(582,086)
Equity in Earnings from Affiliates and Subsidiaries	13,683	33,654
Other Income and Expense, net	639	1,507
Income/Loss from Continuing Operations before Income Tax and Tax on Assets	998,490	1,163,215
Income Tax and Tax On Assets	(524,876)	(425,032)
Income for the Year from Continuing Operations	473,614	738,183
Net Income from Discontinued Operations	498,717	47,426
Net Income for the Year	972,331	785,610
Other Comprehensive Income for the Year	180,169	81,154
Total Comprehensive Income for the Year	1,152,500	866,764

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

4. Cash flow structure

Note: the amounts are rounded up 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. As established by the CNV through Resolutions No. 562 (amended by Resolution No. 576) and No. 592, the following table shows the balances and results for the year, on a comparative basis with the prior year, both prepared under IFRS.

	December 31, 2012	December 31, 2011
Cash provided by (used in) Operating Activities	2,291,944	1,577,219
Cash provided by (used in) Investment Activities	(819,887)	(1,527,311)
Cash provided by (used in) Financing Activities	(1,110,017)	187,633
Total Cash provided (used) for the Year	362,040	237,541
Financial Results Generated By Cash And Cash Equivalents	77,116	42,090
Total Changes in Cash	439,156	279,632

5. Statistical data

	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008
Cable TV subscribers ^{(1) (5)}	3,404,698	3,490,320	3,357,853	3,192,950	3,190,570
Cable TV homes passed ^{(2) (5)}	7,455,898	7,586,506	7,485,595	7,457,043	6,753,590
Cable TV churn ratio	15.0	15.1	14.3	15.8	15.3
Internet access subscribers ⁽¹⁾	1,504,380	1,351,107	1,128,171	988,031	938,767
Newspaper circulation ⁽³⁾	311,699	331,238	360,816	394,796	431,098
Canal 13 audience share					
Prime Time ⁽⁴⁾	35.9	42.2	42.2	40.1	43.3
Total Time ⁽⁴⁾	29.4	33.0	31.0	29.7	33.5

(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 December 31, 2012 it does not include the data corresponding to Cablevisión's subsidiaries in Paraguay (see Note 12.g.).

6. Ratios

	December 31, 2012	December 31, 2011
Liquidity (current assets / current liabilities)	1.17	1.09
Solvency (equity / total liabilities)	0.84	0.79
Capital assets (non-current assets / total assets)	0.69	0.73

7. Outlook

Grupo Clarín's corporate strategy is aimed at consolidating its presence in the local and regional market, strengthening its presence in the traditional media, with a growing focus on digital media and in the production and in the distribution of content.

Among its initiatives, the Company seeks to leverage its positioning in the Argentine industry and its vast knowledge of the media consumer to strengthen and develop its current businesses. One of its main objectives is to boost its cable television and Internet access services by leveraging its strong presence in distribution networks, the strength of its brands and, above all, its vast experience in content production.

In a framework of continued hostility against the media, 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. It will assess the implications of the laws related to its activities; while bringing the pertinent legal actions to safeguard its rights and those of its readers, audiences and clients.

Whatever the context, the Company will continue to assess eventual opportunities for growth in the local and international market

that may increase value for its shareholders and conform to its business strategy.

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.

8. Progress made on compliance with the implementation of the IFRS

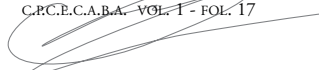
On April 29, 2010, the Company's Board of Directors approved the IFRS implementation plan. To date, the Company has fulfilled the aspects established by such plan and has issued the first annual consolidated financial statements under IFRS for the year ended December 31, 2012.

Notes 2.2 to the interim condensed consolidated financial statements and Note 2.2 to the interim condensed parent company only financial statements disclose the information about reconciliation between NCP ARG and IFRS, which is required by Technical Resolution No. 26 (amended by Technical Resolution No. 29) and by IFRS 1.




Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

Signed for identification purposes
with the report dated March 08, 2013
Price Waterhouse & Co. S.R.L.
C.P.C.E.C.A.B.A. VOL. 17 - FOL. 17



Dr. Carlos A. Pace (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106



Héctor Horacio Magnetto
Chairman

Report of Independent Accountants

Free translation from
the original
prepared in Spanish

**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**

1. We have audited the attached consolidated financial statements of Grupo Clarín S.A. and its controlled subsidiaries which comprise the consolidated balance sheet at December 31, 2012, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The balances and other information for the fiscal year 2011 are an integral part of the above-mentioned audited financial statements, so they are to be considered in the light of those financial statements.

2. The Board of Directors is responsible for the reasonable preparation and presentation of these consolidated 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 adopted by the International Accounting Standards Board (IASB). Further, the Board of Directors is responsible for the internal control it may deem necessary to enable preparing consolidated financial statements free of material misstatements caused by errors or irregularities. Our responsibility is to express an opinion on the consolidated financial statements based on the audit we performed with the scope detailed in paragraph 3..

3. We conducted our audit in accordance with auditing standards in effect in Argentina. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements and to form an opinion on the reasonableness of the relevant information contained in the consolidated financial statements. An audit includes examining, on a selective test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting standards used and significant estimates made by the Company, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. On October 10, 2009, Audiovisual Communication Services Law No. 26,522 (the "Law") was enacted which repeals Broadcasting Law No. 22,285 which regulate the principal activities of the Company and some of its subsidiaries.

As mentioned in Notes 9 and 25 to the consolidated financial statements, the Company and certain subsidiaries are analyzing the possible consequences that could be derived from the change of regulatory framework on their business, and as indicated in the same Notes, is bringing and will bring all legal actions corresponding to each instance to safeguard its rights and those of its shareholders.

Accordingly, there is uncertainty as to the effect that this change in the regulatory framework and the outcome of the legal actions being brought by the Company could have on the activities of the economic group and, therefore, on its consolidated financial statements taken as a whole.

5. As mentioned in Notes 8.1.b., 8.1.c., 8.1.d. and 8.1.e. to the consolidated financial statements, since September 2009, the Federal Broadcasting Committee, the National Antitrust Commission, the Secretariat of Domestic Trade ("SCI", for its Spanish acronym), Argentine Secretariat of Communications and the Ministry of Economy and Public Finance have issued several resolutions on matters related to: (i) several aspects related to the acquisition of Cablevisión S.A., Multicanal S.A. and other companies, and their subsequent merger, and (ii) the revocation of the license that had been originally granted to FIBERTEL S.A. In addition, as indicated in Note 8.1.f. to the consolidated financial statements, the subsidiary Cablevisión was served with a preliminary injunction granted to a third party ordering the separation of the assets, liabilities and businesses that used to belong to Multicanal and that were subsequently merged into Cablevisión and the appointment of a court-appointed supervisor (interventor) and co-administrator. As indicated in the above-mentioned Notes, the subsidiary Cablevisión has brought legal actions as it considered appropriate.

Accordingly, there is uncertainty regarding the effect that the final outcome of these situations could have on the activities of the subsidiary Cablevisión S.A. and, therefore, on the consolidated financial statements of the company taken as a whole.

6. As mentioned in Note 8.1.a. to the consolidated financial statements, on March 3, 2010 the Secretariat of Domestic Trade ("SCI") issued Resolution 50/10 establishing the formula for calculation of the monthly subscription price to be paid by the users of pay-television services. As indicated in the same Note, on March 10, 2011 SCI Resolution No. 36/11 was published in the Official Gazette establishing the parameters to be applied to the services rendered by Cablevisión, having been extended on several occasions the effectiveness of Resolution No. 36/11 until March 2013. As indicated in this Note, the subsidiary Cablevisión filed the corresponding administrative claims and will bring the necessary legal actions requesting a stay of its effects and ultimately its nullity.

Accordingly, there is uncertainty regarding the effect that the final outcome of the situation could have on the subsidiary Cablevisión and its subsidiaries' business and, therefore, on the recoverability of its assets.

7. In our opinion, subject to the possible effect on the consolidated financial statements of any potential adjustments and/or reclassifications, if applicable, that could be required as a result of the resolution of the uncertainties described in paragraphs 4, 5, and 6, the consolidated financial statements mentioned in paragraph 1 present fairly, in all material respects, the consolidated financial position of Grupo Clarín S.A. and its subsidiaries as of December 31, 2012 and their consolidated comprehensive income and consolidated cash flows for the fiscal year then ended, in accordance with International Financial Reporting Standards.

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

a) The consolidated financial statements of Grupo Clarín S.A. have been transcribed to the "Inventory and Balance Sheet" book and comply with the Corporations Law and pertinent resolutions of the Argentine Securities Commission, as regards those matters within our competence;

b) The parent company only financial statements of Grupo Clarín S.A. arise from accounting records kept in all formal respects in conformity with legal provisions which maintain the security and integrity conditions based on which they were authorized by the Argentine Securities Commission;

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 other than those already stated in paragraphs 4., 5. and 6.;

d) At December 31, 2012 the debt accrued in favor of the (Argentine) Integrated Social Security System according to the Company's accounting records and calculations amounted to \$1.416.749, none of which was claimable at that date;

e) In accordance with section 4 of General Resolution No. 400 issued by the Argentine Securities Commission, amending section 18 subsection e) of the title III.9.1 of the Rules of such Commission, we inform that the total of fees for the audit and related services invoiced to the Company for the year ended December 31, 2012 represents:

e.1) 87% on the total fees for services invoiced to the Company for all concepts in that year;

e.2) 14% on the total fees for audit and related services invoiced to the Company, its parent companies, subsidiaries and affiliates in that year;

e.3) 14% on the total fees for services invoiced to the Company, its parent companies, subsidiaries and affiliates for all concepts in that year.

f) We have applied the procedures on prevention of asset laundering and terrorism funding set forth in the relevant professional rules issued by the Professional Council for Economic Sciences of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires,
March 8, 2013

Price Waterhouse & Co. S.R.L.



Dr. Carlos A. Pace (Partner)

PARENT COMPANY ONLY
FINANCIAL STATEMENTS

**Parent Company only
Statement of
Comprehensive
Income**

For the years ended
December 31, 2012 and 2011
In Argentine Pesos (Ps.)

	Notes	December 31, 2012	December 31, 2011
Equity in Earnings from Affiliates and Subsidiaries	4.3	511,048,778	549,337,713
Management fees		95,346,439	77,689,987
Administrative Expenses ⁽¹⁾	5.1	(106,242,489)	(82,962,408)
Financial Income	5.2	5,935,496	657,201
Financial Costs	5.3	(11,130,989)	(17,263,242)
Other Income and Expense, net		(11,190,319)	(11,563,098)
Income before Income Tax and Tax on Assets		483,766,916	515,896,153
Income Tax and Tax on Assets	6	(1,456,196)	(1,142,945)
Net Income for the Year		482,310,720	514,753,208
Other Comprehensive Income			
Variation in Translation Differences of Foreign Operations		84,985,478	37,992,937
Other Comprehensive Income for the year net of income tax		84,985,478	37,992,937
Comprehensive Income for the year		567,296,198	552,746,145

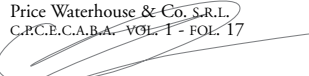
(1) Includes depreciation of property, plant and equipment and amortization of intangible assets in the amount of Ps. 544.064 and Ps. 559.055 for the years ended December 31, 2012 and 2011, respectively.

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



Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

Signed for identification purposes
with the report dated March 08, 2013
Price Waterhouse & Co. S.R.L.
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17



Dr. Carlos A. Pace (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106



Héctor Horacio Magnetto
Chairman

Parent Company only Balance Sheet

As of December 31, 2012,
December 31, 2011 and
January 1, 2011
In Argentine Pesos (Ps.)

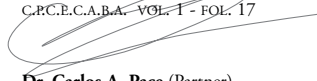
	Notes	December 31, 2012	December 31, 2011	January 1, 2011
Assets				
Non-Current Assets				
Property, Plant and Equipment	4.1	1,234,447	919,419	1,011,711
Intangible Assets	4.2	140,256	-	-
Deferred Tax Assets	6	11,162,847	10,352,970	9,744,474
Investment in Affiliates and Subsidiaries	4.3	4,174,676,650	3,694,851,174	3,288,950,768
Other Receivables	4.4	30,000	30,000	2,135,600
Total Non-Current Assets		4,187,244,200	3,706,153,563	3,301,842,553
Current Assets				
Other Receivables	4.4	25,198,828	85,113,690	5,040,993
Other Investments	4.5	7,742,929	29,866,561	13,639,242
Cash and Banks	4.6	5,251,306	2,950,680	3,055,959
Total Current Assets		38,193,063	117,930,931	21,736,194
Total Assets		4,225,437,263	3,824,084,494	3,323,578,747
Equity (as per the corresponding statement)		4,090,030,112	3,634,142,107	3,203,295,205
Liabilities				
Non-Current Liabilities				
Other Liabilities	4.3	28,624,787	25,706,586	19,155,260
Total Non-Current Liabilities		28,624,787	25,706,586	19,155,260
Current Liabilities				
Long-Term Debt	4.7	62,084,479	127,730,585	71,242,000
Taxes Payable	4.8	1,623,568	2,609,920	1,463,118
Other Liabilities		14,437,674	13,555,211	11,719,705
Trade Payables and Other	4.9	28,636,643	20,340,085	16,703,459
Total Current Liabilities		106,782,364	164,235,801	101,128,282
Total Liabilities		135,407,151	189,942,387	120,283,542
Total Equity and Liabilities		4,225,437,263	3,824,084,494	3,323,578,747

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




Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

Signed for identification purposes
with the report dated March 08, 2013
Price Waterhouse & Co. S.R.L.
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17



Dr. Carlos A. Pace (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106



Héctor Horacio Magnetto
Chairman

Parent Company only Statement of Changes in Equity

For the years ended
December 31, 2012 and 2011
In Argentine Pesos (Ps.)

	Capital Stock	Adjustment on Capital Stock	Additional Paid-in Capital
Balances as of January 1, 2011	287,418,584	309,885,253	1,413,334,666
Set-up of Legal Reserve (Note 7.a.)	-	-	-
Dividend Distribution (Note 7.a.)	-	-	-
Changes in Reserves for Sellers Financing	-	-	-
Net Income for the Year	-	-	-
Other Comprehensive Income:			
Variation in Translation Differences of Foreign Operations	-	-	-
Balances as of December 31, 2011	287,418,584	309,885,253	1,413,334,666
Set-up of reserves (Note 7.a.)	-	-	-
Dividend Distribution (Note 7.a.)	-	-	-
Changes in Reserves for Sellers Financing	-	-	-
Net Income for the Year	-	-	-
Other Comprehensive Income:			
Variation in Translation Differences of Foreign Operations	-	-	-
Balances as of December 31, 2012	287,418,584	309,885,253	1,413,334,666

(1) Broken down as follows: (i) Optional reserve for future dividends of Ps. 300,000,000; (ii) Judicial reserve for future dividend distribution of Ps. 387,028,756 and (iii) Optional reserve for illiquidity of results of Ps. 694,371,899.

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

Shareholders' Contributions	Other items				Retained Earnings	Total Equity
	Translation of Foreign Operations	Other Reserves	Legal Reserve	⁽¹⁾ Optional reserves	Accumulated Results	
Subtotal						
2,010,638,503		(16,485,290)	38,054,509	-	1,171,087,483	3,203,295,205
-	-	-	26,685,724	-	(26,685,724)	-
-	-	-	-	-	(120,000,000)	(120,000,000)
-	-	(1,899,243)	-	-	-	(1,899,243)
-	-	-	-	-	514,753,208	514,753,208
-	37,992,937	-	-	-	-	37,992,937
2,010,638,503	37,992,937	(18,384,533)	64,740,233	-	1,539,154,967	3,634,142,107
-	-	-	23,912,434	1,381,400,655	(1,405,313,089)	-
-	-	-	-	-	(135,000,000)	(135,000,000)
-	-	23,591,807	-	-	-	23,591,807
-	-	-	-	-	482,310,720	482,310,720
-	84,985,478	-	-	-	-	84,985,478
2,010,638,503	122,978,415	5,207,274	88,652,667	1,381,400,655	481,152,598	4,090,030,112



Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

Signed for identification purposes
with the report dated March 08, 2013
Price Waterhouse & Co. S.R.L.
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

Dr. Carlos A. Pace (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106



Héctor Horacio Magnetto
Chairman

**Parent Company only
Statements
of Cash Flows**

For the years ended
December 31, 2012 and 2011
In Argentine Pesos (Ps.)

	December 31, 2012	December 31, 2011
Cash provided by Operating Activities		
Net Income for the Year	482,310,720	514,753,208
Income Tax and Tax on Assets	1,456,196	1,142,945
Accrued Interest, net	7,736,987	13,284,640
Adjustments to reconcile net income for the year to cash used in operating activities:		
- Depreciation of Property, Plant and Equipment and Amortization of Intangible Assets	544,064	559,055
- Exchange Difference and Other Financial Results	(5,745,051)	1,271,397
- Equity in Earnings from Affiliates and Subsidiaries	(511,048,778)	(549,337,713)
Changes in Assets and Liabilities:		
- Other Receivables	(4,310,406)	(22,429,789)
- Trade Payables and Other	8,273,433	3,636,626
- Taxes Payable	(2,815,415)	1,538,014
- Other Liabilities	882,463	1,835,506
Income Tax and Tax on Assets Payments	(1,226,707)	(1,229,415)
Net Cash Flows used in Operating Activities	(23,942,494)	(34,975,526)
Cash provided by Investment Activities		
Dividends collected	101,180,510	58,378,830
Capital contributions in subsidiaries	(11,042,000)	(5,176,800)
Acquisition of Property, Plant and Equipment, net	(825,716)	(466,763)
Acquisition of Intangible Assets	(173,632)	-
Loans and interest collected	-	2,670,041
Loans granted	-	(3,000,000)
Net Cash Flows provided by Investment Activities	89,139,162	52,405,308

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	December 31, 2012	December 31, 2011
Cash provided by Financing Activities		
Loans	45,771,275	121,637,672
Payment of Debts	(1,678,162)	(3,263,963)
Payment of Interest	-	(265,938)
Dividends Paid	(135,000,000)	(120,000,000)
Net Cash Flows used in Financing Activities	(90,906,887)	(1,892,229)
Financing results generated by Cash and Cash Equivalents	5,887,213	584,487
(Decrease) / Increase in cash flow, net	(19,823,006)	16,122,040
Cash and Cash Equivalents at the Beginning of the Year	32,817,241	16,695,201
Cash and Cash Equivalents at Year-end	12,994,235	32,817,241

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



Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

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Héctor Horacio Magnosto
Chairman

Notes to the Parent Company only Financial Statements

For the years ended
December 31, 2012
Presented on a comparative basis
In Argentine Pesos (Ps.) -

Note 1

General Information

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

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

Note 2

Basis for the Preparation and Presentation of the Parent Company only Financial Statements

2.1 Basis for the preparation and transition to IFRS

Pursuant to General Resolution No. 562 issued on December 29, 2009 entitled "Adoption of International Financial Reporting Standards" and General Resolution No. 576/10, the CNV provided for the application of Technical Resolutions No. 26 (TR 26) and 29 issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE, for its Spanish acronym). Since the Company is subject to the public offering regime governed by Law No. 17,811, it is required to apply such standards as from the year beginning January 1, 2012. The FACPCE issues Adoption Communications for the enforcement of IASB resolutions in Argentina.

Accordingly, the Company has started to apply such standards to these parent company only financial statements, being January 1, 2011 the date of transition to IFRS, as established by IFRS 1 "First-time Adoption of IFRS". These parent company only financial statements are the first annual parent company only financial statements presented under IFRS.

TR 26 establishes that parent company only financial statements must be prepared under IFRS approved to date in Argentina by

the "FACPCE", except for the valuation of investments in subsidiaries, which are valued under the equity method.

In preparing these parent company only financial statements for the year ended December 31, 2012, presented on a comparative basis, the Company has followed the guidelines provided by TR 26, and, therefore, these financial statements have been prepared under IFRS 1 "First-time Adoption of IFRS", except for the above-mentioned valuation of investments in subsidiaries.

The Company's parent company only financial statements were previously prepared in accordance with NCP ARG. NCP ARG differ from the IFRS in some areas. For the preparation of these parent company only financial statements, the Company has changed certain valuation and disclosure accounting policies previously applied under NCP ARG in order to comply with the IFRS. The main accounting policies are described in the following notes.

The Company has changed the figures disclosed for comparative purposes and those corresponding to the transition date (January 1, 2011) to reflect these adjustments. The mandatory reconciliations are presented in Note 2.2.1.

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.

The attached information, approved by the Board of Directors in the meeting held on March 8, 2013, is presented in Argentine Pesos (Ps.), the Argentine legal tender, and arises from accounting records kept by Grupo Clarín S.A.

2.2 Application of IFRS 1

In preparing the financial statements as of the transition date under IFRS, the Company has applied the mandatory exceptions and certain optional exemptions in order to fully comply with the IFRS in accordance with IFRS 1. The optional exemptions applied by the Company are the following:

a) Deemed Cost of Property, Plant and Equipment:

The cost of property, plant and equipment, adjusted for inflation in accordance with effective accounting standards, has been considered as the deemed cost at the IFRS transition date, since it is similar to the cost or depreciated cost under IFRS, adjusted to reflect the changes of a general or specific price index.

b) Business Combinations:

The Company has elected not to apply IFRS 3 “Business combinations” on a retrospective basis for business combinations that occurred prior to the IFRS transition date.

c) Accumulated Translation Differences of Foreign Operations:

Accumulated translation differences related to foreign operations were considered null at the IFRS transition date.

The Company has not used the other exemptions available under IFRS 1.

Mandatory Exceptions to IFRS

The mandatory exceptions to IFRS 1 applicable to the Company are detailed below:

1. Estimates: The estimates made by the Company under IFRS at the IFRS transition date are consistent with the estimates made at the same date under NCP ARG.
2. The other mandatory exceptions provided by IFRS 1 that have not been considered because they are not applicable to the Company are the following:
 - Derecognition of financial assets and liabilities.
 - Hedge accounting.
 - Embedded derivatives.

2.2.1 Mandatory Reconciliations

Pursuant to FACPCE Technical Resolutions No. 26 and No. 29 and IFRS 1, the following is a detail of the reconciliation of comprehensive income for the year ended December 31, 2011 and the reconciliation of equity as of December 31, 2011 and January 1, 2011 reported under NCP ARG to that reported under IFRS.

2.2.2.1 Reconciliation of net income for the year ended December 31, 2011

	December 31, 2011
Net income for the year under NCP ARG (Income)	522,279,377
Effect of transition to IFRS:	
Addition of the variation of Cumulative translation adjustment under NCP ARG to Comprehensive income for the year	48,067,813
Subtotal	570,347,190
Effect in the variation of the Cumulative translation adjustment due to adjustments to the valuation of affiliates and subsidiaries ^[1]	(10,074,876)
Effect in income from the adjustments to the valuation of affiliates ^[1]	(7,526,169)
Total comprehensive income for the year under IFRS	552,746,145

[1] Generated by the effect of the adjustments to equity and net income of the companies in which the Company holds an equity interest and the effect of the adjustments to the goodwill of such companies. The description of the adjustments made to such companies is disclosed in Note 2.2 to the consolidated financial statements.

2.2.2.2 Reconciliation of equity as of December 31, 2011 and January 1, 2011

	December 31, 2011	January 1, 2011
Shareholders' equity under NCP ARG	3,735,204,430	3,284,857,240
Effect of transition to IFRS:		
Adjustment to the valuation of affiliates and subsidiaries and goodwill ^[1]	(101,062,323)	(81,562,035)
Total Shareholders' Equity under IFRS	3,634,142,107	3,203,295,205

[1] Generated by the effect of the adjustments to equity and net income of the companies in which the Company holds an equity interest and the effect of the adjustments to the goodwill of such companies. The description of the adjustments made to such companies is disclosed in Note 2.2 to the consolidated financial statements.

2.2.2.3 Reconciliation of cash flows arising from the parent company only financial statements as of December 31, 2011

No significant differences have been identified in the Parent Company Only Statement of Cash Flows or in the definition of Cash and cash equivalents between NCP ARG and IFRS.

2.3. 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 year ended December 31, 2012:

- IAS 19 Employee Benefits: Since the Company has not established to date defined benefit plans for its employees and officers, this standard will not have an impact on the Company's financial statements.

- Certain improvements to IFRS issued in May 2012 by IASB which clarify some of the international accounting standards (IFRS 1 First-time adoption of the International Financial Reporting Standards, IAS 1 Presentation of financial statements, IAS 16 Property, Plant and Equipment, IAS 32 Financial Instruments: Presentation and IAS 34 Interim financial reporting).

- IFRS 9 Financial Instruments: Issued in November 2009 and amended in October 2010, IFRS 9 establishes new requirements for the classification and measurement of financial assets and liabilities and for their

derecognition. IFRS 9 is applicable to the years beginning on or after January 1, 2015, and allows for its early application. The changes may not significantly affect the disclosed amounts that relate to the Company's financial assets and liabilities.

- IFRS 10 Consolidated Financial Statements: Defines the concept of control and establishes control as the basis for determining which entities are to be consolidated in the consolidated financial statements. The Board of Directors informs that IFRS 10 will be adopted in the Company's financial statements for the annual period beginning on January 1, 2013. The changes will probably not significantly affect the amounts disclosed regarding the Company's assets and liabilities.

- IFRS 11 Joint Arrangements: Classifies joint arrangements either as joint operations (combining the existing concepts of assets under common control and operations under common control) or as joint ventures (equivalent to the existing concepts of entities under common control). IFRS 11 requires the use of the equity method for joint ventures and it also eliminates the proportional consolidation method for this type of businesses. The Board of Directors informs that IFRS 11 will be adopted in the Company's financial statements for the annual period beginning on January 1, 2013. The changes may not significantly affect the amounts of assets and liabilities and the disclosures in the Company's financial statements.

- IFRS 12 Disclosure of interests in other entities: Applies to entities with an interest in subsidiaries, joint arrangements, associates or unconsolidated structured entities. IFRS 12 establishes disclosure objectives, as well as the minimum disclosures to be presented. The Board of Directors informs that IFRS 12 will be adopted in the Company's financial statements for the annual period beginning on January 1, 2013. The Company is analyzing the potential impact of this standard.

- IFRS 13 Fair Value Measurement: Establishes a structure for the measurement at fair value when required by other standards and the disclosure requirements for measurement at fair value. This IFRS is applicable to both financial and non-financial items measured at fair value. The Board of Directors informs that IFRS 13 will be adopted in the Company's financial statements for the annual period beginning on January 1, 2013. The Company is analyzing the potential impact of this standard.

- Amendments to IAS 1 Presentation of financial statements. The main amendment to IAS 1 requires that items of other comprehensive income be grouped into those that may and may not be subsequently reclassified to profit or loss. The amendments to IAS 1 do not specify which items are to be disclosed in other comprehensive income. This amendment will be effective for annual periods beginning as from July 1, 2012. The Company is analyzing the potential impact of this standard.

- Amendments to IFRS 7 and IAS 32. The IASB has amended the application guidance to IAS 32 Financial Instruments: Presentation to clarify some of the requirements to offset financial assets and liabilities in the balance sheet. The IASB has also issued an amendment to IAS 7, Financial Instruments: Disclosures to enhance offsetting disclosures. These amendments will be effective for annual periods beginning as from January 1, 2013. The Company is analyzing the potential impact of this standard.

2.4 Equity Interests

The Company records the interest in its subsidiaries and associates using the equity method, as established by TR 26.

A subsidiary is an entity over which the Company exercises control. The Company exerts control when it has the power to decide on the financial and operating policies of an entity for the purposes of obtaining benefits from its activities, generally coupled with a participation of more than 50% of the voting rights.

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associate, generally accompanied by a 20%-50% holding of the voting power, but does not entail control or joint control over those policies.

The subsidiaries' and associates' net income and the assets and liabilities are disclosed in the financial statements using the equity method, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations". Under the equity method, the investment in a subsidiary or associate is to be initially recorded at cost and the book value will be increased or decreased to recognize the investor's share in the comprehensive income for the year or in other comprehensive income obtained by the subsidiary or associate, after the acquisition date. The distributions received from the subsidiary or associate will reduce the book value of the investment.

The losses incurred by an associate in excess of the Company's interest in such company are recognized to the extent the Company has undertaken any legal or implicit obligation or has made payments on behalf of the associate.

Any excess of the acquisition cost over the Company's share in the net fair value of the subsidiary's or associate's identifiable assets, liabilities and contingent liabilities measured at the acquisition date is recognized as goodwill. Goodwill is included in the book value of the investment and tested for impairment as part of the investment. Any excess of the Company's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the acquisition cost, after its measurement at fair value, is immediately recognized in the statement of income.

Unrealized gains or losses on transactions between the Company and its subsidiaries and the associates are eliminated considering the Company's interest in those companies.

Adjustments were made, where necessary, to the subsidiaries' and associates' financial statements so that their accounting policies are in line with those used by the Company.

2.4.1 Changes in the Company's Interests in Existing Subsidiaries

The changes in the Company's interests in subsidiaries which do not generate a loss of control are recorded under equity. The book value of the Company's interests is adjusted to reflect the changes in the relative interest in the subsidiary. Any difference between the amount for which an additional investment is recorded and the fair value of the consideration paid or received is directly recognized in equity.

In case of loss of control and significant influence, any residual interest in the issuing company is measured at its fair value at such date, allocating the change in the recorded value with an impact on net income. The fair value is the initial amount recognized for such investments for the purposes of its subsequent valuation for the interest retained as associate, joint venture or financial instrument. Additionally any amount previously recognized in Other Comprehensive Income regarding such investments is recognized as if the Company had disposed of the related assets and liabilities. Consequently, the amounts previously recognized in Other Comprehensive Income may be reclassified to net income.

2.5 Business Combinations

The Company applies the acquisition method to account for business combinations. The consideration for each acquisition is measured at fair value (on the date of exchange) of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by the Company in exchange for the control of the company acquired. The costs related to the acquisition are expensed as incurred.

The consideration for the acquisition, if any, includes any asset or liability arising from a contingent consideration arrangement, measured at fair value at the acquisition date.

Subsequent changes to such fair value, verified within the measurement period, are adjusted against the acquisition cost.

The measurement period is the actual period that begins on the acquisition date and ends as soon as the Company receives all the information it was seeking about facts and circumstances that existed as of the acquisition date. The measurement period cannot exceed one year from the acquisition date. All other changes in the fair value of the contingent consideration classified as assets or liabilities, outside the measurement period, are recognized in net income. Changes in the fair value of the contingent consideration classified as equity are not recognized.

In the case of business combinations achieved in stages, the Company's equity interest in the company acquired is remeasured at fair value at the acquisition date (i.e., the date on which the Company acquired control) and the resulting gain or loss, if any, is recognized as income/expense or in other comprehensive income, depending on the origin of the variation. In the periods preceding the reporting periods, the Company may have recognized in other comprehensive income the changes in the value of the interest in the capital stock of the acquired company. In that case, the amount recognized in other comprehensive income is recognized on the same basis that would have been required if the Company had directly disposed of the previously-held equity interest.

The identifiable assets, liabilities and contingent liabilities of the acquired company that meet the conditions for recognition under IFRS 3 (2008) are recognized at fair value at the acquisition date, except for certain particular cases provided by such standard.

Any excess of the acquisition cost (including the interest previously held, if any, and the non-controlling interest) over the Company's share in the net fair value of the subsidiary's or associate's identifiable assets, liabilities and contingent liabilities measured at the acquisition date is recognized as goodwill. Any excess of the Company's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the acquisition cost, after its measurement at fair value, is immediately recognized in net income.

The acquisition cost comprises the consideration transferred and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, if any.

2.6 Goodwill

Goodwill arises from the acquisition of subsidiaries and associates and refers to the excess of the sum of the consideration transferred, the fair value of the acquirer's previously-held equity interest (if any) in the acquiree over the interest acquired in the net amount of the fair value at the date of acquisition of the identifiable assets acquired and liabilities assumed.

If, upon measurement at fair value, the Company's share in the fair value of net identifiable assets of the acquired company exceeds the amount of the consideration transferred, the amount of any non-controlling interest in such company and the fair value of the acquirer's previously-held equity interest in the acquiree (if any), such excess is immediately recognized in the statement of comprehensive income as a gain arising from a very profitable acquisition.

Goodwill is not amortized, but tested for impairment on an annual basis. For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units expected to render benefits from the synergies of the respective business combination. Those cash-generating units to which goodwill is allocated are tested for impairment on an annual basis, or more frequently, when there is any indication of impairment. If the recoverable value of the cash-generating unit, i.e. the higher of the value in use or the fair value net of selling expenses, is lower than the value of the net assets allocated to that unit, including goodwill, the impairment loss is first allocated to reduce the goodwill allocated to the unit and then to the other assets of the unit, on a pro rata basis, based on the valuation of each asset in the unit. The impairment loss recognized against the valuation of goodwill is not reversed under any circumstance.

In case of a loss of control in the subsidiary, the amount attributable to goodwill is included in the calculation of the corresponding gain or loss.

As mentioned in Note 11, the recoverability of certain goodwill could be affected by the final outcome of the circumstances described in such note.

2.7 Revenue recognition

Management fees are recognized when such services are rendered at the fair value of the consideration received or to be received.

2.8 Foreign Currency and Functional Currency

The financial statements of each of the Company's subsidiaries or associates are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the Company's parent company only financial statements, the net income and the financial position of each entity are stated in Argentine Pesos (Argentina's legal tender for all companies domiciled in Argentina), which is the Company's functional currency.

In preparing the financial statements of the individual entities, the transactions in currencies other than the entity's functional currency (foreign currency) are recorded at the exchange rates prevailing on the dates on which transactions are carried out. At the end of each reporting year, the monetary items denominated in foreign currency are retranslated at the exchange rates prevailing on such date.

Exchange differences are charged to net income as incurred.

In preparing the Company's parent company only financial statements, in order to measure, under the equity method, the Company's interest in the entities which functional currencies is different from the Argentine Peso, the assets and liabilities of such companies are translated to Argentine pesos at the exchange rate prevailing at the end of the year, while the net income is translated at the exchange rate prevailing on the transaction date. Translation differences are recognized in other comprehensive income as "Variation in Translation Differences of Foreign Operations".

2.9 Taxes

The income tax charge reflects the sum of current income tax and deferred income tax.

2.9.1 Current and Deferred Income Tax for the year

Current and deferred taxes are recognized as expense or income for the year, except when they are related to entries debited or credited to other comprehensive income or directly to equity, in which cases taxes are also recognized in other comprehensive income or directly in equity, respectively. In the case of a business combination, the tax effect is taken into consideration in the calculation of goodwill or in the determination of the excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

2.9.2 Current Tax

Current tax payable is based on the taxable income recorded during the year. Taxable income and net income reported in the consolidated statement of comprehensive income differ due to revenue or expense items that are taxable or deductible in other fiscal years and items that are never taxable or deductible. The current tax liability is calculated using the tax rate in effect as of the date of these parent company only financial statements.

2.9.3 Deferred Tax

Deferred tax is recognized on temporary differences between the book value of the assets and liabilities included in these financial statements and the corresponding tax basis used to determine taxable income. Deferred tax liabilities are generally recognized for all temporary fiscal differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is likely that future taxable income will be available against which those deductible temporary differences can be charged. These assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

The book value of a deferred tax asset is reviewed at each reporting year and reduced to the extent that it is no longer likely that sufficient taxable income will be available in the future to allow for the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applicable in the year in which the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting year, to recover or settle the book value of its assets and liabilities.

Deferred tax assets are offset against deferred tax liabilities if effective regulations allow to offset, before the tax authorities, the amounts recognized in those items; and if the deferred tax assets and liabilities arise from income taxes levied by the same tax authority and the Company intends to settle its assets and liabilities on a net basis.

Under the IFRS, deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

2.9.4 Tax on Assets

In Argentina, the tax on assets (impuesto a la ganancia mínima presunta) is supplementary to income tax. The Company assesses this tax at the effective rate of 1% on the taxable assets at year-end. The Company's tax liability for each year will be equal to the higher of the tax on assets assessment or the income tax liability assessed at the legally effective rate on the estimated taxable income for the year. However, if the tax on assets exceeds the income tax liability in any given fiscal year, the excess may be creditable against any excess of income tax liability over the tax on assets in any of the following ten fiscal years.

The tax on assets balance has been capitalized in the parent company only financial statements, net of a valuation allowance, based on the Company's current business plans.

2.10 Property, Plant and Equipment and Intangible Assets

Property, plant and equipment held for use in the supply of services, or for administrative purposes, are recorded at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation of property, plant and equipment is recognized on a straight-line basis over its estimated useful life. The estimated useful life, residual value and depreciation method are

reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis.

Repair and maintenance expenses are expensed as incurred.

The gain or loss arising from the retirement or disposal of an item of property, plant and equipment is calculated as the difference between income from the sale of the asset and the asset's book value, and recognized under "Other Income and Expense, net" in the parent company only statement of comprehensive income.

The residual value of an asset is written down to its recoverable value, if the asset's residual value exceeds its estimated recoverable value (see Note 2.11).

Intangible assets comprise software and are valued at cost, net of the corresponding accumulated amortization and impairment losses. Amortization is calculated on a straight line basis over the estimated useful life of the intangible assets. The Company reviews the useful lives applied, the residual value and the amortization method are reviewed at each year-end, and accounts the effect of any changes in estimates on a prospective basis.

2.11 Impairment of Non-Financial Assets, Except Goodwill

At the end of each financial statement, the Company reviews the book value of its non-financial assets with definite useful life to determine the existence of any evidence indicating that these assets could be impaired. If there is any indication of impairment, the recoverable value of these assets is estimated for the purposes of determining the amount of the impairment loss (in case the recoverable value is lower than the book value). Where it is not possible to estimate the recoverable value of an individual asset, the Company estimates the recoverable value of the cash-generating unit ("CGU") to which such asset belongs. Where a consistent and reasonable allocation base can be identified, corporate assets are also allocated to an individual cash-generating unit or, otherwise, to the smallest group of cash-generating units for which a consistent allocation base can be identified.

The recoverable value of an asset is the higher of the fair value less selling expenses or its value

in use. In measuring value in use, estimated future cash flows are discounted at their present value using a pre-tax discount rate, which reflects the current market assessments of the time value of money and, if any, the risks specific to the asset for which estimated future cash flows have not been adjusted.

Assets with an indefinite useful life (for example, non-financial assets unavailable for use) are not amortized, but are tested for impairment on an annual basis.

During this year, no impairment losses have been recorded for these assets.

2.12 Financial Instruments

2.12.1 Financial Assets

Purchases and sales of financial assets are recognized at the transaction date when the Company undertakes to purchase or sell the asset, and is initially measured at fair value, plus transaction costs, except for those financial assets classified at fair value with changes in the statement of income, which are initially measured at fair value.

2.12.1.1 Classification of Financial Assets

Financial assets are classified within the following specific categories: "financial assets at fair value with changes in net income", "held-to-maturity investments" and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined on initial recognition.

2.12.1.2 Recognition and Measurement of Financial Assets

2.12.1.2.1 Financial Assets at Fair Value with Changes in Net Income

Financial assets at fair value with changes in net income are recorded at fair value, recognizing any gain or loss arising from the measurement in the statement of comprehensive income. The net gain or loss recognized in net income includes any gain or loss generated by the financial asset and is included in the item financial income and cost in the parent company only statement of comprehensive income.

The assets designated in this category are classified as current assets if they are expected to be traded within 12 months; otherwise, they are classified as non-current assets.

The fair value of these assets is calculated based on the current quoted market price of these securities.

2.12.1.2.2 Held-to-maturity Investments

Held-to-maturity investments are measured at amortized cost using the effective interest rate method less any impairment, if any.

The effective interest rate method calculates the amortized cost of a financial asset or liability and the allocation of financial income or cost over the whole corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument to the net book value of the financial asset or liability on its initial recognition.

Balances in foreign currency were translated at the exchange rate prevailing at the closing of year for the settlement of these transactions. Foreign exchange differences were charged to net income for each year.

2.12.1.2.3 Loans and Receivables

Loans and trade receivables with fixed or determinable payments not traded in an active market are classified as "trade receivables and other". Trade receivables and other are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method, less any impairment, if any. Interest income is recognized using the effective interest rate method, except for short-term balances for which the recognition of interest is not significant.

Loans and receivables are classified as current assets, except for the maturities exceeding 12 months from the closing date.

Loans in foreign currency have been valued as mentioned above, at the exchange rates prevailing as of each year-end. Foreign exchange differences were charged to net income for each year.

2.12.1.3 Impairment of Financial Assets

The Company tests financial assets or a group of assets for impairment at each closing date to assess if there is any objective evidence of impairment. The value of a financial asset or a group of assets is impaired, and an impairment loss is recognized, where there is objective

evidence of the impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event or events have an impact on the estimated future cash flows of the financial asset or a group of assets, which may be reliably measured.

The objective evidence of impairment may include, among others, significant financial difficulties of the issuer or obligor; or breach of contractual terms, such as default or delinquency in interest or principal payments.

The Company tests for impairment financial assets disclosed under Other Receivables on a case by case basis.

Where there is objective evidence of an impairment loss in the value of loans granted, receivables or held-to-maturity investments recorded at amortized cost, the loss amount is measured as the difference between the book value and the present value of estimated future cash flows (without including future non-incurred losses), discounted at the original effective interest rate of the financial asset. The asset's book value is written down under a contra asset account. The loss amount is recognized in net income for the year.

If, in subsequent periods, the impairment loss amount decreases and such decrease can be objectively related to an event occurring after the impairment has been recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed. A loss reversal can only be recorded to the extent the financial asset's book value does not exceed the amortized cost that would have been determined if the impairment loss had not been recorded at the reversal date. The reversal amount is recognized in net income for the year.

2.12.1.4 Derecognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows of such assets expire or when it transfers the financial asset and, therefore, all the risks and benefits inherent to the ownership of the financial asset are transferred to another entity. If the Company retains substantially all the risks and benefits inherent to the ownership of the transferred asset, it will continue to recognize it and will recognize a liability for the amounts received.

2.12.2 Financial Liabilities

Financial liabilities are valued at amortized cost using the effective interest rate method.

2.12.2.1 Debts

Debt is initially valued at fair value net of the transaction costs incurred, and subsequently valued at amortized cost using the effective interest rate method. Any difference between the initial value net of the transaction costs and the settlement value is recognized in the income statement over the term of the loan using the effective interest rate method. Interest expense has been charged to the parent company only statement of comprehensive income under "Financial Costs".

2.12.2.2 Trade Payables and Other

Trade payables with fixed or determinable payments not traded in an active market are classified as "Trade Payables and Other". Trade Payables and Other are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Interest expense is recognized using the effective interest rate method, except for short-term balances for which the recognition of interest is not significant.

Trade Payables and Other are classified as current, except for the maturities exceeding 12 months from the closing date.

Trade payables in foreign currency have been valued as mentioned above, at the exchange rates prevailing as of each year end. Foreign exchange differences were charged to net income for each year.

2.12.2.3 Derecognition of Financial Liabilities

An entity shall derecognize a financial liability (or part of it) when, and only when, it has been extinguished, i.e., when the obligation specified in the corresponding agreement is discharged, cancelled or expires.

2.13 Other Liabilities

The other liabilities have been valued at nominal value, which does not differ significantly from its discounted value.

2.14 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, high liquidity short-term investments (with original maturities shorter than 90 days), and 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 "Debts" in the balance sheet.

Cash and cash equivalents at each year-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:

	December 31, 2012	December 31, 2011
Cash and Banks	5,251,306	2,950,680
Short-Term Investments	7,742,929	29,866,561
Cash and Cash Equivalents	12,994,235	32,817,241

In the years ended December 31, 2012 and 2011, the following significant transactions were carried out, which did not have an impact on cash and cash equivalents:

	December 31, 2012	December 31, 2011
Dividends collected through debt settlement	132,640,431	73,755,307
Contributions to Subsidiaries	20,261,301	-

2.15 Distribution of Dividends

The distribution of dividends to the Company's shareholders is recognized as a liability in the financial statements for the year in which the distribution of dividends is approved by the Shareholders' Meeting.

Note 3

Accounting Estimates and Judgments

In applying the accounting policies described in Note 2, the Company has to make judgments and prepare accounting estimates of the value of the assets and liabilities which may not be otherwise obtained. 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 year in which estimates are reviewed.

These estimates basically refer to:

Impairment of Goodwill

The Company assesses goodwill for impairment on an annual basis. In determining if there is impairment of goodwill, the Company calculates the value in use of the cash generating units to which it has been allocated. The calculation of the value in use requires the determination by the entity of the future cash flows that should arise from the cash generating units and an appropriate discount rate to calculate the present value.

During this year, no impairment losses have been recorded for goodwill.

Recognition and Measurement of Deferred Tax Items

As disclosed in Note 2.9, deferred tax assets are only recognized for temporary differences to the extent that it is likely that the entity will have enough future taxable income against which the deferred tax assets can be used. Tax loss carryforwards from prior years are only recognized when it is likely that the entity will have enough future taxable income against which they can be used.

The Company examines the recoverable value of deferred tax assets based on its business plans and books a valuation allowance, if appropriate, so that the net position of the deferred tax asset will reflect the probable recoverable value.

Determination of the Useful Lives of Property, Plant and Equipment

The Company reviews the reasonableness of the estimated useful life of property, plant and equipment at each year-end.

Measurement of the fair value of certain financial instruments

The fair value of a financial instrument is the amount at which the instrument could be purchased or sold between knowledgeable, willing parties in an arm's length transaction. If there is a quoted market price available for an instrument in an active market, the fair value is calculated based on that price.

If there is no quoted market price available for a financial instrument, its fair value is estimated based on the price established in recent transactions involving the same or similar instruments and, otherwise, based on valuation techniques regularly used in financial markets. The Company uses its judgment to select a variety of methods and makes assumptions based on market conditions at closing.

Note 4

Breakdown of the Main Items of the Parent Company only Balance Sheet

4.1 Property, Plant and Equipment

Main Account	Historical value Balance at the Beginning	Additions	Retirements	Balances as of December 31, 2012
Furniture and Fixtures	352,594	83,826	-	436,420
Audio and Video Equipment	122,179	-	-	122,179
Telecommunication Equipment	103,740	47,957	-	151,697
Computer Equipment	4,367,683	693,933	-	5,061,616
Total as of December 31, 2012	4,946,196	825,716	-	5,771,912

Main Account	Rate	Balance at the Beginning	Retirements	For the year	Depreciation Balances as of December 31, 2012	Net Book Value as of December 31, 2012
Furniture and Fixtures	10%	147,429	-	40,271	187,700	248,720
Audio and Video Equipment	20%	81,889	-	14,272	96,161	26,018
Telecommunication Equipment	20%	60,010	-	19,222	79,232	72,465
Computer Equipment	33%	3,737,449	-	436,923	4,174,372	887,244
Total as of December 31, 2012		4,026,777	-	510,688	4,537,465	1,234,447

Main Account	Balance at the Beginning	Additions	Retirements	Historical value Balances as of December 31, 2011
Furniture and Fixtures	282,845	69,749	-	352,594
Audio and Video Equipment	118,159	4,020	-	122,179
Telecommunication Equipment	98,280	5,460	-	103,740
Computer Equipment	3,980,149	387,534	-	4,367,683
Total as of December 31, 2011	4,479,433	466,763	-	4,946,196

Main Account	Rate	Balance at the Beginning	Retirements	For the year	Depreciation Balances as of December 31, 2011	Net Book Value as of December 31, 2011
Furniture and Fixtures	10%	117,069	-	30,360	147,429	205,165
Audio and Video Equipment	20%	62,481	-	19,408	81,889	40,290
Telecommunication Equipment	20%	46,772	-	13,238	60,010	43,730
Computer Equipment	33%	3,241,400	-	496,049	3,737,449	630,234
Total as of December 31, 2011		3,467,722	-	559,055	4,026,777	919,419

4.2 Intangible Assets

Main Account	Balance at the Beginning	Additions	Retirements	Historical value
				Balances as of December 31, 2012
Software	-	173,632	-	173,632
Total as of December 31, 2012	-	173,632	-	173,632

Main Account	Rate	Balance at the Beginning	Retirements	For the year	Amortization	Net Book Value as of December 31, 2012
					Balances as of December 31, 2012	
Software	33%	-	-	33,376	33,376	140,256
Total as of December 31, 2012		-	-	33,376	33,376	140,256

4.3. Investment in Unconsolidated Affiliates

Included in non-current assets:

Corporate Name	Main business activity	Direct interest in capital and votes	Valuation as of December 31, 2012	Valuation as of December 31, 2011	Valuation as of January 1, 2011
SHOSA ⁽¹⁾	Investing and financing	97.0%	889,863,588	728,689,320	579,712,064
SHOSA Goodwill			495,735,087	495,735,087	495,735,087
Vistone ⁽¹⁾	Investing	95.0%	935,907,491	817,446,091	706,600,891
VLG ⁽¹⁾	Investing and financing	11.0%	165,692,576	122,793,570	108,613,463
VLG Goodwill			100,503,301	100,503,301	100,503,301
CVB ⁽¹⁾	Investing and financing	95.0%	213,426,388	182,300,990	155,539,492
CLC ⁽¹⁾	Investing and financing	99.9%	58,904,881	49,022,825	41,431,643
Pem S.A.	Investing	0.1%	2	2	2
AGEA	Publishing and Printing	99.9%	681,361,011	593,652,512	574,265,229
AGR	Printing	0.9%	1,440,978	1,459,237	1,326,116
CIMECO	Investing and financing	20.7%	35,321,311	32,296,420	28,056,493
CIMECO Goodwill			58,837,707	58,837,707	58,837,707
CMI	Advertising	0.8%	176,242	137,066	100,650
ARTEAR	Broadcasting Services	⁽²⁾ 97.0%	359,734,353	325,733,460	261,024,651
Radio Mitre	Broadcasting Services	94.7%	27,119,367	34,560,469	24,363,148
IESA	Investing and financing	96.9%	102,314,354	102,719,135	103,707,575
GC Services	Investing and financing	100%	11,182,693	9,840,619	6,918,261
GCGC	Services	97.5%	8,030,273	7,810,923	12,857,978
CMD	Investing and financing	84.6%	23,786,177	25,439,017	23,551,159
GC Minor	Investing and financing	95.6%	5,338,870	5,873,423	5,805,858
			4,174,676,650	3,694,851,174	3,288,950,768

Included in non-current liabilities:

Corporate Name	Main business activity	Direct interest in capital and votes	Valuation as of December 31, 2012	Valuation as of December 31, 2011	Valuation as of January 1, 2011
GCSA					
Investments	Investing and financing	100%	28,624,787	25,706,586	19,155,260
			28,624,787	25,706,586	19,155,260

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

(2) Interest in votes amounts to 98.8%.

Equity in Earnings from Affiliates and Subsidiaries

	December 31, 2012	December 31, 2011
SHOSA	228,480,831	171,118,903
Vistone	164,088,477	121,458,459
VLG	43,964,793	32,508,406
CVB	39,559,876	29,033,136
CLC	9,378,433	6,886,064
AGEA	27,119,742	81,273,503
CIMECO	7,170,843	6,934,796
GCSA Investments	(13,610,201)	(6,551,328)
ARTEAR	34,000,893	103,488,817
IESA	(404,782)	(988,439)
Radio Mitre	(25,775,855)	4,252,320
GCGC	(1,707,198)	(5,047,055)
CMD	(1,653,734)	1,887,858
GC Services	1,342,074	2,922,358
Other	(905,414)	159,915
	511,048,778	549,337,713

4.4 Other Receivables

	December 31, 2012	December 31, 2011	January 1, 2011
Non-Current			
Guarantee Deposits	30,000	30,000	30,000
Tax on assets	27,993,242	31,305,899	32,470,574
Valuation Allowance for Tax on Assets	(27,993,242)	(31,305,899)	(32,470,574)
Other	-	-	2,105,600
	30,000	30,000	2,135,600
Current			
Related Parties (Note 8)	22,994,617	83,218,676	2,488,645
Tax Credits	603,090	492,599	425,334
Advances	1,563,841	640,829	914,214
Other	37,280	761,586	1,212,800
	25,198,828	85,113,690	5,040,993

4.5 Other Investments

	December 31, 2012	December 31, 2011	January 1, 2011
Financial Instruments	572,684	500,593	6,730,099
Money Market	7,170,245	29,365,968	6,909,143
	7,742,929	29,866,561	13,639,242

4.6 Cash and Banks

	December 31, 2012	December 31, 2011	January 1, 2011
Cash and Imprest Funds	145,927	59,527	59,327
Cash at Banks	5,105,379	2,891,153	2,996,632
	5,251,306	2,950,680	3,055,959

4.7 Debt

	(1) Rate	December 31, 2012	December 31, 2011	January 1, 2011
Current				
Related Parties (Note 8)	14%	62,084,479	127,730,585	71,242,000
		62,084,479	127,730,585	71,242,000

(1) Annual Average Nominal Rate applicable as of December 31, 2012.

The following table details the changes in loans and indebtedness for the year ended December 31, 2012 and the prior year:

	2012	2011
Balances as of January 1st	127,730,585	71,242,000
New Loans and Indebtedness	62,894,866	121,637,672
Accrued Interest	7,819,631	10,067,391
Other Financial Effects	-	1,802,792
Settlement of principal and interest	(136,360,603)	(77,019,270)
Balances as of December 31	62,084,479	127,730,585

4.8 Taxes Payable

	December 31, 2012	December 31, 2011	January 1, 2011
Current			
Taxes Payable on a National Level	1,327,384	2,470,487	1,313,690
Taxes Payable on a Provincial Level	296,184	139,433	149,428
	1,623,568	2,609,920	1,463,118

4.9 Trade Payables and Other

	December 31, 2012	December 31, 2011	January 1, 2011
Current			
Suppliers and Trade Provisions	4,294,506	2,737,602	1,791,309
Related Parties (Note 8)	1,415,638	289,052	1,274,025
Employer's Contributions	22,926,499	17,313,431	13,638,125
	28,636,643	20,340,085	16,703,459

Note 5

Breakdown of the Main Items of the Parent Company only Statement of Comprehensive Income 5.1 Information Required under Section 64, Subsection b) of Law No. 19,550

Item	Administrative Expenses	
	December 31, 2012	December 31, 2011
Salaries, Social Security and Benefits to Personnel ⁽¹⁾	65,902,696	52,683,078
Supervisory Committee's fees	524,000	195,000
Fees for services ⁽²⁾	24,929,742	17,138,361
Taxes, Duties and Contributions	4,016,887	3,378,725
Other personnel expenses	918,901	706,914
General expenses	80,600	92,730
IT expenses	346,693	276,936
Maintenance Expenses	1,035,567	947,768
Communication expenses	489,712	514,447
Advertising expenses	986,987	705,553
Travel Expenses	2,810,603	2,314,133
Stationery and Office Supplies	83,154	47,706
Depreciation of Property, Plant and Equipment	510,688	559,055
Amortization of Intangible Assets	33,376	-
Other expenses	3,572,883	3,402,002
Total	106,242,489	82,962,408

(1) Includes fees for technical and administrative services to Directors in the amount of Ps. 8,488,955 and Ps. 6,925,658, respectively. Additionally, they include the effect of the long-term savings plan mentioned in Note 13.

(2) Includes Directors' fees in the amount Ps. 1,071,585 and Ps. 861,112, respectively.

5.2 Financial Income

	December 31, 2012	December 31, 2011
Exchange Difference and Other Financial Results	5,793,333	561,802
Interest	142,163	95,399
	5,935,496	657,201

5.3 Financial Costs

	December 31, 2012	December 31, 2011
Interest	(7,879,150)	(13,380,039)
Other Taxes and Expenses	(3,251,839)	(2,031,828)
Exchange Difference and Other Financial Results	-	(1,851,375)
	(11,130,989)	(17,263,242)

Note 6

Income tax

The following table shows the breakdown of net deferred tax assets (amounts stated in thousands of Argentine Pesos):

	December 31, 2012	December 31, 2011	January 1, 2011
Assets			
Tax Loss Carryforwards	28,180	28,268	21,217
Other Investments	7,463	7,645	7,828
Employer's Contributions	3,692	2,694	1,916
Other	8	14	-
Subtotal	39,343	38,621	30,961
Valuation Allowance for Deferred Tax Assets	(28,180)	(28,268)	(21,217)
Net Deferred Tax Assets	11,163	10,353	9,744

The following table shows the reconciliation between the income tax and tax on assets charged to net income for the years ended December 31, 2012 and 2011 and the income tax liability that would result from applying the current tax rate on income before income tax and tax on assets and the income tax liability assessed for each year (amounts stated in thousands of Argentine Pesos):

	December 31, 2012	December 31, 2011
Income Tax Assessed at the Current Tax Rate (35%) on Income before Income Tax	(169,318)	(180,564)
Permanent Differences:		
Gain/Loss on Investments in Subsidiaries	178,867	192,268
Non-Taxable Income	(4,529)	(4,447)
Other	832	403
Subtotal	5,852	7,660
Valuation Allowance for Net Deferred Tax Assets Charged to Income	(5,042)	(7,051)
Income Tax	810	609
Deferred Taxes for the Year	810	609
Income Tax	810	609
Tax on assets	(2,266)	(1,752)
Total	(1,456)	(1,143)

As of December 31, 2012, the Company's accumulated tax loss carryforwards amounted to approximately Ps. 80.5 million, which calculated at the current tax rate, represent deferred tax assets in the amount of approximately Ps. 28.2 million. The following table shows the expiration date of the accumulated tax loss carryforwards pursuant to statutes of limitations (amounts stated in thousands of Argentine Pesos):

Expiration year	Amount of Tax Loss Carryforward
2013	11,678
2014	19,023
2015	15,345
2016	20,061
2017	14,406
	80,513

Note 7

Reserves, Retained Earnings and Dividends

	December 31, 2012	December 31, 2011
Balances at the beginning of the year:		
Legal Reserve	64,740,233	38,054,509
Accumulated Results	1,539,154,967	1,171,087,483
Other Reserves	(18,384,533)	(16,485,290)
Total	1,585,510,667	1,192,656,702
Net Income Attributable to the Parent Company	482,310,720	514,753,208
Dividend Distribution	(135,000,000)	(120,000,000)
Changes in Reserves for Acquisition of Investments	23,591,807	(1,899,243)
Balance at the end of the year	1,956,413,194	1,585,510,667

a. Grupo Clarín

The Company's bylaws set forth that retained earnings shall be appropriated as follows: (i) 5% to the Company's legal reserve until such reserve equals 20% of the Company's capital stock; and (ii) the balance, in whole or in part, to the payment of the fees of the members of the Board of Directors and the Supervisory Committee, to dividends on common shares, or reserve accounts, or as otherwise determined by the Shareholders, among other situations.

At the Company's Annual Regular Shareholders' Meeting held on April 28, 2011, the shareholders decided, among other things, to appropriate the earnings for the year 2010; which at that time amounted to Ps. 533,714,480 as follows: (i) Ps. 26,685,724 to the legal reserve; (ii) Ps. 120,000,000 to dividend distribution, which has been paid as of the date of these financial statements, and (iii) Ps. 387,028,756 to retained earnings.

On April 26, 2012, Grupo Clarín's Annual Regular Shareholders' Meeting decided, among other things, to appropriate the accumulated results for the year 2011; which at that time amounted to Ps. 1,540,313,089 as follows: (i) Ps. 23,912,434 to the legal reserve, (ii) Ps. 135,000,000 to dividend distribution, which have already been paid, (iii) Ps. 387,028,756 to the judicial reserve for future dividend distribution, (iv) Ps. 300,000,000 to the optional reserve for future dividends and (v) Ps. 694,371,899 to the optional reserve for illiquidity of results.

b. Cablevisión

On April 23, 2012, Cablevisión's General Regular and Special Shareholders' Meeting decided to distribute dividends in the amount of Ps. 217 million, payable in two equal installments, the first one on or before May 24, 2012, as determined by the Board of Directors, and the second one on or before December 31, 2012, as determined by the Board of Directors.

Out of such amount, approximately Ps. 87 million corresponds to the non-controlling interest in that company. On April 27, 2012, Cablevisión's Board of Directors, taking into consideration that the company had enough earnings to settle the entire amount of the approved dividends, decided to make available to shareholders, as from such date, the amount of Ps. 217 million.

Note 8

Balances and Transactions with Related Parties

The following table shows the breakdown of the Company's balances with its related parties:

Company	Item	December 31, 2012	December 31, 2011	January 1, 2011
Subsidiaries				
Vistone	Long-Term Debt	(30,327,556)	(44,846,677)	(23,880,000)
SHOSA	Long-Term Debt	(23,636,527)	(70,968,174)	(41,650,700)
CVB	Long-Term Debt	(3,147,155)	(10,299,790)	(5,711,300)
CLC	Long-Term Debt	(4,973,241)	(1,615,944)	-
AGEA	Other Receivables	18,912,095	75,303,174	-
	Trade Payables and Other	(27,906)	(60,367)	(918,295)
ARTEAR	Other Receivables	157,374	1,412	142,599
	Trade Payables and Other	(240,774)	(166,065)	(26,618)
IESA	Trade Payables and Other	(29,975)	(29,975)	(29,975)
Radio Mitre	Other Receivables	8,042	1,312,190	1,526,790
GCGC	Other Receivables	10,742	4,692	4,692
	Trade Payables and Other	(1,024,735)	(14,457)	(83,646)
Indirectly controlled				
Cablevisión	Other Receivables	-	-	600
	Trade Payables and Other	(6,682)	(4,629)	(87,372)
PRIMA	Trade Payables and Other	(29,537)	(12,726)	(127,186)
AGR	Other Receivables	3,334,710	4,575,889	523,961
	Trade Payables and Other	(56,029)	(833)	(890)
UNIR	Other Receivables	1,158	1,157	1,200
	Trade Payables and Other	-	-	(43)
Impripost	Other Receivables	377,075	442,425	288,675
Ferías y Exposiciones S.A.	Other Receivables	128	128	128
Auto Sports	Other Receivables	193,293	1,577,609	-

The following table details the transactions carried out by the Company with related parties for the years ended December 31, 2012 and 2011:

Company	Item	December 31, 2012	December 31, 2011
Subsidiaries			
AGEA	Management fees	28,800,000	28,800,000
	Advertising	(18,581)	(5,656)
ARTEAR	Management fees	32,200,000	15,600,000
	Services	-	(17,466)
Vistone	Interest Expense	(3,650,625)	(3,668,554)
CLC	Interest Expense	(411,069)	(116,168)
SHOSA	Interest Expense	(3,390,119)	(5,431,890)
CVB	Interest Expense	(367,818)	(850,779)
Radio Mitre	Management fees	240,000	240,000
	Interest Income	35,671	40,041
GCGC	Management fees	5,000	-
	Services	(4,826,042)	(4,103,627)
Indirectly controlled			
Cablevisión	Management fees	22,800,000	22,800,000
	Services	(40,209)	-
PRIMA	Services	(280,192)	(258,959)
AGR	Management fees	8,400,000	7,200,000
	Services	(49,254)	(5,739)
Impripost	Management fees	1,380,000	1,140,000
Auto Sports	Management fees	1,521,439	1,909,987

The fees paid to the Board of Directors and the Upper Management of the Company for the years ended December 31, 2012 and 2011 amounted to approximately Ps. 40 million and Ps. 30 million, respectively.

Note 9

Terms and Interest Rates of Investments, Receivables and Liabilities

	December 31, 2012
Investments ⁽¹⁾	
Without any established term	7,742,929
	7,742,929
Receivables ⁽²⁾	
Without any established term	23,666,405
To fall due	
- Within three months	1,562,423
	1,562,423
	25,228,828
Liabilities ^{(2) (3)}	
Without any established term	3,511,135
To fall due	
- Within three months	26,878,576
- More than three months and up to six months	14,308,174
	41,186,750
	44,697,885
Debts ⁽⁴⁾	
Without any established term	212,383
To fall due	
- More than three months and up to six months	44,727,271
- More than nine months and up to twelve months	17,144,825
	61,872,096
	62,084,479

(1) Bearing interest at floating rate.

(2) Non-interest bearing.

(3) Do not include equity interests in the amount of Ps. 28,624,787 (see Note 4.3).

(4) Bearing interest at fixed rate.

Note 10

Provisions and Other Contingencies

10.1 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 may be forced to modify the price of its pay television subscription, a situation that could significantly affect the revenues of its core business. This creates a general framework of uncertainty over Cablevisión's business that could significantly affect the recoverability of its relevant assets reported in these financial statements 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-Secretary of Domestic Trade", the Federal Court of Appeals 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.

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 Federal Administrative Court of Appeals, Chamber V, 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.

Subsequently, the SCI issued Resolutions Nos. 65/11, 92/11, 123/11, 141/11, 10/11, 25/12, 97/12 and 161/12 pursuant to which the SCI extended the effectiveness of Resolution No. 36/11 up to and including March 2013, and adjusted the cable television subscription price to Ps.130. 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. 50/97 with respect to all cable television licensees (among them, Cablevisión and its subsidiaries) represented by ATVC, and also given the fact that Resolutions No. 36/11, 65/11, 92/11, 123/11, 141/11, 25/12, 97/12 and 161/12 merely extend the effectiveness of Resolution No. 50/10, Cablevisión continues to be protected by said preliminary injunction, and, therefore, its ordinary course of business will not be affected.

On January 13, 2012, the Secretariat of Domestic Trade issued Resolution No. 2/2012 granting Cablevisión 24 hours to resume service to those subscribers who had duly paid their subscription fee in the amount established by the National Government. In its sixth section, the Resolution provides that if the company does not comply with its obligations thereunder, penalties may be imposed as provided by Law 20,680. On February 10, 2012, Cablevisión

received a fine of Ps. 1 million for alleged non-compliance with such Resolution. Such fine has been appealed but no decision has been rendered on the matter yet.

After the Federal Court 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.

b. On August 19, 2010 the Media Secretariat issued Resolution No. 100/2010, whereby it revoked the license that had been granted to Fibertel. Cablevisión believes that this resolution is an absolutely null and void administrative act. Its language contradicts express provisions of the National Constitution, of Law No. 19,550 (Argentine Business Associations Law), Decrees Nos. 1,185/90 and 764/00 and Law No. 19,549 of Administrative Procedures, among others. The Resolution disregards the several filings made by Cablevisión with the Media Secretariat requesting such agency to issue an administrative act evidencing that Cablevisión, pursuant to section 82 of the Argentine Business Associations Law, is the successor of Fibertel and, therefore, the holder of the exclusive telecommunication service license and of the registrations that had been previously granted to Fibertel. More than eight years after that request, in spite of the existence of a draft of a favorable decision in the case file, with a completely arbitrary attitude that contradicts other precedents of the same agency, and without prior notice that would have allowed Cablevisión to exercise its defense right, the SECOM ordered that the license be revoked and that the users migrate within 90 days of the resolution's notification. On August 26, 2010 Cablevisión filed an appeal requesting the reversal of the resolutions, and if such appeal is rejected, a subsidiary appeal against that

Resolution before the highest administrative authority. The appeal was dismissed pursuant to SECOM Resolution No. 132/2010 dated October 7, 2010. However, since Cablevisión had filed a subsidiary appeal to have the case heard by the highest administrative authority; the file was submitted to the Ministry of Federal Planning, Public Investment and Utilities. As of the date of these financial statements, this appeal is pending resolution.

On February 24, 2011, Chamber No. 3 of the Federal Court of Appeals on Civil and Commercial Matters of the City of Buenos Aires, in re “ANTITRUST ASSOCIATION V. NATIONAL GOVERNMENT MEDIA SECRETARIAT ON COMPLAINT FOR THE PROTECTION OF CONSTITUTIONAL RIGHTS” confirmed the decision rendered in the first instance, stating that the National Government, Media Secretariat, shall refrain from disrupting or limiting in any way the Internet access services offered by Cablevisión. It also partially amended the above decision by broadening its effects, ordering the National Government to refrain from enforcing Resolution No. 100/10, thus allowing new customers to subscribe to the Internet access services offered by Cablevisión.

On December 16, 2011, Federal Civil and Commercial Court No. 3, Clerk's Office No. 5 issued a related injunction in re “CABLEVISION S.A. v. NATIONAL GOVERNMENT ON COMPLAINT FOR THE PROTECTION OF CONSTITUTIONAL RIGHTS”, ordering the suspension of the effects of SECOM Resolution No. 100/10 and also guaranteeing new subscribers the possibility to subscribe to the Internet Access service offered by Cablevisión.

On December 20, 2011, at the request of Cablevisión, a new preliminary injunction was issued in re “CABLEVISION S.A. v. National Government - Argentine Secretariat of Communications on COMPLAINT FOR THE PROTECTION OF CONSTITUTIONAL RIGHTS”. On the basis of the above-mentioned precedent, and on the existing connection between the subject matters of both cases, as alleged by Cablevisión, the injunction ordered the suspension of the effects of SECOM Resolution No. 100/10. The

National Government filed an appeal with Chamber No. 3 of the Federal Court of Appeals on Civil and Commercial Matters which is still pending as of the date of these financial statements.

Due to the imminent possibility that the application of Law No. 26,522 will affect the assets used to provide Internet access services, within the framework of this same file Cablevisión requested the extension of the scope of the effective injunction, which was granted on December 6, 2012. Such extension entailed notifying AFSCA of the injunction which prevents it from affecting in any way the Internet access services offered by Cablevisión.

Based on the above-mentioned preliminary injunctions, Cablevisión is authorized to continue to render the telecommunication services granted to Fibertel.

Cablevisión will resort to all available administrative and judicial remedies in order to have SECOM Resolution No. 100/2010 declared null and void. Even though Cablevisión has strong grounds that support its position, it cannot be assured that the final outcome of this issue will be favorable.

On September 10, 2010, the National Administration of Domestic Trade notified Cablevisión that a Ps. 5 million fine had been imposed for promoting the Fibertel service without being the holder of the license (Section 7 of Law No. 24,240), for the impossibility of honoring the promotion offered to undetermined potential consumers (Section 7 of Law No. 24,240), for providing wrong information to the customers (Section 4 of Law No. 24,240), and for the impossibility of honoring promotions because Cablevisión was not the holder of the Fibertel license (Section 19 of Law No. 24,240). Cablevisión appealed such decision in due course, since it believes it has sufficient arguments in its favor. The file was assigned No. 1,276 and is pending before Chamber No. 2 of the Court of Appeals on Administrative Matters.

On April 17, 2012 the appeal was partially granted, reducing the fine to Ps. 380,000. Notwithstanding the foregoing, Cablevisión filed an appeal with the Supreme Court of

Argentina in due time and form against such decision. On July 12, 2012, Chamber No. 2 of the Federal Court of Appeals on Administrative Matters decided to dismiss the appeals filed by both parties.

Cablevisión filed an appeal against the above-mentioned dismissal since it believes it has sufficient grounds to have the fine revoked. However, Cablevisión cannot assure that the outcome of the appeal will be favorable.

Since the appeal does not have staying effects, on October 18, 2012 the National Administration of Domestic Trade ordered Cablevisión to pay within ten (10) business days the fine reduced by Chamber No. 2. On October 29, 2012 Cablevisión settled the fine in the amount of Ps. 380,000 and the compliance was recorded in the file.

c. 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 the entities filed direct appeals before the judicial branch. Three of those appeals were dismissed and one is still pending resolution.

Cablevisión believes that if the CNDC acts as it did in the case of the three dismissed direct appeals, the fourth appeal is unlikely to be admitted.

On June 11, 2008, Cablevisión was served with a decision of the Federal Court of Appeals on 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.

d. 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.

The merger commitment was executed on February 12, 2009 and was filed with the CNV pursuant to applicable regulations that require administrative approval. As of the date of these financial statements, such merger is pending administrative approval by the CNV and registration with the IGJ.

On September 3, 2009, the COMFER issued Resolution No. 577/09 whereby it withheld approval of Cablevisión's merger with Multicanal S.A.

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 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 October 23, 2009, the court decision that had suspended the effects of COMFER Resolution No. 577/09 and CNDC Resolution No. 106/09 was revoked by Chamber No. 3 of the 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". Therefore, the calculation of the suspended terms was automatically resumed. On that basis, on December 1, 2009, Cablevisión ratified the filing it had made with the COMFER at the time of the merger, and specified the licenses to which it had decided to maintain title. On December 16, 2009, the Chamber No. 3 of the 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 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 substantive issues.

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 Federal Court of Appeals on 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 Federal Court of Appeals on 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 Federal Court of Appeals on 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, the Federal Commercial and Civil Court of Appeals, Chamber No. 2, 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 Federal Court of Appeals on Commercial-Criminal Matters approved the recusation filed by Cablevisión and excluded the Secretary 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.

The appeal is currently pending before Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters in re “AMI CABLE HOLDING and other on/ Appeal of the National Antitrust Commission Resolution” (File No. 2,054/2010).

On March 3, 2010, the Company brought a claim seeking to nullify of COMFER Resolution No. 577/09. Upon being served with this claim, the COMFER filed an exception, which was responded by Cablevisión. On September 4, 2012 the Judge decided to dismiss the exception filed by the COMFER, which shall bear the legal costs incurred. On December 13, 2012 the order to notify about such decision was submitted and it was issued by the Court on December 26, 2012. In that same act, a request was submitted to set the preliminary hearing (before the discovery proceedings).

On April 20, 2010, Chamber 2 of the Federal Court of Appeals on 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 extraordinary appeal. Both appeals were dismissed. Chamber No. 2 requested the administrative file and the Court's decision is pending. Cablevisión considers that it has strong grounds to have the effects of the above Resolution suspended and therefore has brought the relevant legal actions. However, it cannot assure that the outcome will be favorable.

Decisions made on the basis of these financial statements should consider the eventual impact that the above-mentioned resolutions might have on Cablevisión and its subsidiaries,

and these financial statements should be read in light of such uncertainty.

e. Under Proceeding File No. 21,788/08 dated November 17, 2008, Cablevisión informed the COMFER about the corporate business reorganization process effective as of October 1, 2008. In that same act, Cablevisión informed the COMFER about: i) all the licenses to which it became universal successor under the corporate business reorganization process; ii) the exercise of an option for one of the licenses in each of the locations where it held multiple licenses, and iii) the relinquishment of original licenses and extensions so as to eliminate the multiple licenses accumulated in each of the locations where it held multiple licenses. As a result of such corporate business reorganization process, Cablevisión became the universal successor of 158 licenses to exploiting Supplementary Services in several locations (pursuant to section 44, subsection b) of Law 22,285. To avoid having multiple licenses, Cablevisión informed the COMFER about its irrevocable intention to relinquish a total of 78 licenses (including original licenses and extensions) so as to eliminate all the supplementary service licenses that exceeded the limit set for supplementary services in each location (which was one license per designated area). Notwithstanding the foregoing, through Resolution No. 577/COMFER/09, the COMFER illegitimately decided to withhold approval of the merger requested by Cablevisión, requesting Cablevisión to submit a divestiture plan on the grounds that the license relinquishments spontaneously communicated by that company were not sufficient. (See Note 10.1.d).

f. On May 23, 2011, Supercanal S.A. filed a claim for the protection of constitutional rights (acción de amparo) before the Federal Court of Mendoza against Cablevisión, Grupo Clarín and other co-defendants, requesting that they refrain from exercising alleged anti-competitive practices and that the assets, liabilities and businesses that used to belong to Multicanal and that were subsequently merged into Cablevisión (see Note 10.1.d.) be separated from the other assets, liabilities and businesses of Cablevisión and transferred to third parties.

Together with the claim for the protection of constitutional rights, Supercanal S.A. requested a preliminary injunction - for the same purposes - which was granted on December 16, 2011. The injunction ordered the separation of the assets, liabilities and businesses that used to belong to Multicanal and that were subsequently merged into Cablevisión within a term of 60 days. The court also appointed a supervisor (interventor) and co-administrator for a term of twelve months, who shall enforce the injunction, order the changes to such company's management required for the effective enforcement of the duties to be fulfilled by the Board of Directors, and also report on a monthly basis to the court about his/her performance. Such court-appointed supervisor (interventor) and co-administrator shall have the obligation to perform the necessary functions aimed at fulfilling the actions ordered pursuant to the injunction.

Cablevisión filed an appeal against such injunction and presented the grounds for its defense in due time and form. Cablevisión also requested the replacement of such injunction with another less burdensome, one that could largely cover the risks alleged by Supercanal in its claim.

On April 26, 2012, the Federal Court of Appeals of Mendoza, Chamber A, dismissed the appeal filed by Cablevisión against the decision of December 16, 2011, but extended the term to divest the assets, liabilities and businesses of Multicanal that had been merged into Cablevisión to 120 days. The court also dismissed the request to replace the injunction.

Cablevisión believes it has strong grounds to defend its position. Therefore, it has already informed the Court that it shall proceed to file an appeal with the Supreme Court of Argentina against such decisions. Notwithstanding the foregoing, Cablevisión cannot assure the outcome of this appeal.

On August 14, 2012, Cablevisión was served notice of a decision rendered by Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters of the City of Buenos Aires ("the Court of Appeals") on August 13, 2012 whereby it declared the existence of a connection between the case brought by

Supercanal S.A. in the Province of Mendoza and the appeal of MECON Resolution No. 113/10 ("Ami Cable Holding LTD and other on/ Appeal of the National Antitrust Commission Resolution). The Court of Appeals stated that the hearing of the case in the Province of Mendoza gives rise to an atypical jurisdictional issue that affects the correct rendering of justice in the case and the powers of said Court of Appeals. The Court of Appeals therefore ordered Federal Court No. 2 of Mendoza to send the file so that the case could continue under the jurisdiction of the Federal Courts on Civil and Commercial Matters of the City of Buenos Aires. The Federal Court No. 2 of Mendoza and the Federal Court of Appeals of Mendoza were served notice of said order on the same date and both of them rejected it, giving rise to a jurisdictional conflict between Chamber No. 2 of the Court of Appeals and Federal Court No. 2 of Mendoza.

Pursuant to Section 24, subsection 7 of Decree/Law No. 1285/58, if a jurisdictional conflict arises between a federal judge of a given jurisdiction and a Federal Court of Appeals of a different jurisdiction, said conflict must be resolved by the Argentine Supreme Court.

After having been served notice of the decision of Chamber No. 2 of the Court of Appeals, on August 17, 2012, Judge Walter Bento of the Federal Court N° 2 of Mendoza issued an order to notify Cablevisión of an extension of the scope of the injunction issued in re "Supercanal S.A. v. Cablevisión S.A. and other on Claim for the protection of constitutional rights (acción de amparo)". Under this injunction, the judge ordered the removal of the Board of Directors of Cablevisión and its replacement with a court-appointed administrator (interventor) whose role was to fulfill court orders. However, in response to the claim brought by Cablevisión on August 21, 2012 with the Argentine Supreme Court in connection with the abovementioned jurisdictional conflict, the Supreme Court ordered the immediate suspension of the proceedings until a decision is rendered on the jurisdictional conflict.

Notwithstanding this, Cablevisión and its legal advisors believe that the order issued on August 17 is irregular and that it may not be deemed a valid notice, because it should have been issued within the framework of the proceedings

pending with the Federal Court on Civil and Commercial Matters rather than being served at a domicile established in the city of Mendoza.

At present, all these proceedings are suspended and were sent to the Argentine Supreme Court for it to render a decision on the jurisdictional conflict.

g. On October 21, 2010, the National Administration of Domestic Trade served notice to Cablevisión of (i) a fine of Ps. 5 million for failing to comply with the duty to inform (Section 4 of Law 24,240) concerning one of its promotions and (ii) a fine of Ps. 500,000 for infringing Section 2, subsection c) of Decree 1153/95 of the regulations to Section 10 of Law 22,802. Cablevisión appealed the fine because it believes it has strong arguments in its favor. The file was assigned No. 1281 and is pending before Chamber No. 2 of the Court of Appeals on Federal-Administrative Matters. On October 4, 2011, the Court of Appeals partially affirmed Resolution 739/10 and reduced the fine to Ps. 2.2 million, imposing 75% of the legal costs on Cablevisión. On October 13, 2011 Cablevisión filed a Federal Ordinary appeal with the Supreme Court of Argentina and on October 20, 2011 it filed a federal extraordinary appeal with that same court in the event that the ordinary appeal may be dismissed.

On October 21, 2011, Chamber No. 2 of the Federal Court of Appeals on Administrative Matters granted the ordinary appeal and the legal brief was submitted in due time and form.

On August 7, 2012 the Supreme Court of Argentina decided that the Ordinary Appeal had been wrongly granted.

On December 13, 2012 the Chamber dismissed the appeal filed by Cablevisión, which shall bear the costs incurred.

On December 20, 2012 Cablevisión filed an appeal against the above-mentioned dismissal since it believes it has sufficient grounds to have the fine revoked. However, Cablevisión cannot assure that the outcome of the appeal will be favorable.

h. On May 31, 2012, Cablevisión was served notice of Resolution No. 16,819 dated May 23, 2012 whereby the Argentine Securities Commission (CNV, for its Spanish acronym) ordered the initiation of summary proceedings against Cablevisión and its directors, members of the Supervisory Committee and the Head of Market Relations for an alleged failure to comply with the duty to inform. The CNV considers that Cablevisión failed to comply with its duty to inform because the investor community was deprived of its right to become fully aware of the grounds of a decision rendered by the Federal Court of Mendoza and the scope of the powers granted by that court to the co-administrator appointed in re “Supercanal S.A. v. Cablevisión S.A. on protection of constitutional rights”, in addition to the fact that other self-regulated authorities were allegedly not notified of the information furnished by Cablevisión. On June 25, 2012, Cablevisión filed a response petitioning that its defenses be sustained and all charges dismissed. Cablevisión and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, Cablevisión cannot assure that the outcome of the said summary proceedings will be favorable.

i. Pursuant to CNV Resolution No. 16,834 dated June 14, 2012 notified to the Company on June 27, 2012, the CNV ordered the initiation of summary proceedings against the Company and the members of its Board of Directors, Supervisory Committee and Audit Committee in office at the time of the occurrence of certain events under review (September 19, 2008) for alleged failure to comply with the duty to inform. Under said Resolution, the CNV argues that the Company allegedly failed to comply with the duty to disclose the filing of a claim against it entitled “Consumidores Financieros Asociación Civil para su defensa and other v. Grupo Clarín on/Ordinary”, which the CNV considers relevant. On July 25, 2012, Cablevisión filed a response petitioning that its defenses be sustained and that all charges against it be dismissed. The Company and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, Cablevisión cannot assure the outcome of said summary proceedings.

j. The Executive Branch of Uruguay issued Decree No. 73/012, published in the Official Gazette on March 16, 2012, whereby it expressly repealed Decree No. 231/011, which had revoked certain signals' broadcast frequencies. However, the new decree ratified and repeated - virtually in identical terms - the decree that was being repealed, and added certain provisions that caused further detriment to two companies with which a subsidiary of Cablevisión has contractual arrangements in place. Consequently, on March 23, 2012 the two affected companies filed an appeal requesting that Decree No. 73/012 be revoked. The appeal is still pending resolution.

In May 2012, the aforesaid companies brought a legal action with the Court in Administrative Litigation Matters requesting the nullification of the resolution and the suspension of its execution.

Those appeals have progressed through the corresponding instances and are pending resolution as of the date of these financial statements. Notwithstanding the foregoing, said companies cannot assure the outcome of these actions.

In the preparation of these consolidated financial statements, the Company has considered the effects that could be derived, and that may be projected to date within a foreseeable period as a result of the effects, if any, from these regulatory changes.

k. On June 4, 2012, the Federal Court of Appeals of Rosario partially confirmed SCI Resolution No. 219/2010, whereby the Secretary of Domestic Trade found that Cablevisión and Multicanal had engaged in market sharing practices in connection with the paid-television service in the City of Santa Fe and reduced the fine imposed on each of the companies involved from Ps. 2.5 million to Ps. 2 million. However, this decision is not yet final, because Cablevisión and Multicanal and the Ministry of Economy filed appeals with the Argentine Supreme Court, which are still pending.

Notwithstanding the foregoing, Cablevisión cannot assure that the appeals will be resolved in its favor.

l. On March 1, 2011, the SCI served notice to Multicanal and Cablevisión of Resolution No. 19/11 whereby the Secretary of Domestic Trade found that both companies had engaged in market sharing practices in connection with the paid-television service in the City of Paraná and imposed a fine of Ps. 2.5 million on each of them. Cablevisión filed an appeal in due time and form. This appeal was dismissed by the Federal Court of Appeals of Paraná. Therefore, Cablevisión filed an appeal with the Argentine Supreme Court. On November 4, 2011, the appeal of SCI Resolution No. 19/11 filed by Cablevisión with the Supreme Court was partially granted by the Federal Court of Appeals of Paraná.

On August 30, 2012, the Argentine Supreme Court dismissed the appeal filed by Cablevisión; therefore, Resolution No. 19/11 became final. The case is currently pending with the Court of Appeals of Paraná, which shall order its referral to the SCI. The SCI, in turn, shall serve notice to the companies involved in order for them to pay the fine.

m. Cablevisión, by itself and as successor of Multicanal's operations after the merger, is a party to several administrative proceedings under the Antitrust Law, facing charges of anticompetitive conduct, including territorial division of markets, price discrimination, abuse of dominant position, refusal to deal and predatory pricing, as well as a proceeding filed by the Cámara de Cableoperadores Independientes (Chamber of Independent Cable Operators), challenging the transactions consummated on September 26, 2006. While Cablevisión believes that its conduct and that of Multicanal have always been within the bounds of the Argentine Antitrust Law and regulations and that their positions in each of these proceedings are reasonably grounded, it can give no assurance that any of these cases will be resolved in its favor.

n. On January 22, 2010, Cablevisión was served with CNDC Resolution No. 8/10 issued within the framework of file No. 0021390/2010 entitled "Official Investigation of Cable Television Subscriptions (C1321)". Pursuant to such Resolution, Cablevisión, among other companies, was ordered to refrain from conducting collusive practices and, particularly,

from increasing the price of cable television subscriptions for a term of 60 days, counted as from the date all required notices are certified as completed. According to said Resolution, companies which have already increased the price of the subscriptions shall return to the price applicable in November 2009 and maintain such price for the abovementioned term.

On February 2, 2010, by means of Resolution No. 13/10, the CNDC ordered Cablevisión to credit its subscribers the amount of any price increase made after the date of CNDC Resolution No. 8/10 on its March invoices.

Cablevisión appealed both resolutions in due time and form and their effects were suspended by an injunction issued by Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters at the request of Cablevisión.

Finally, on October 4, 2011, the same Chamber granted the appeal, declaring that the claim based on CNDC Resolution No. 8/10 was moot and nullifying CNDC Resolution No. 13/10.

The National Government appealed such decision before the Supreme Court of Argentina, which shall grant or dismiss the appeal.

o. On August 5, 2010, Cablevisión was served with CNC Resolution No. 2,936/2010 within the framework of Administrative Proceeding File No. 2,940/2010, pursuant to which Cablevisión and/or any other individual or entity through which the services relating to the licenses and registrations granted to FIBERTEL S.A. ("Fibertel") may be rendered shall refrain from adding new subscribers and from altering the conditions under which the services are currently rendered.

To decide as it did, the Argentine Communications Commission disregarded the corporate reorganization that was completed and registered before the IGJ, whereby Fibertel merged into Cablevisión effective as of April 1, 2003. By virtue of that merger process, Cablevisión became the universal successor to all of the assets, rights and obligations of Fibertel as the merged company, among them, the Exclusive License awarded through SECOM Resolutions No. 100/96, 2375/97, 168/02 and 83/03. Therefore, Fibertel did not transfer or

divest of its rights and obligations to third parties - among them, those derived from the above-mentioned Exclusive License. Fibertel continued to carry out its activities through Cablevisión as surviving company. In order to implement the above-mentioned corporate business reorganization, on March 5, 2003, the Argentine Communications Commission and the SECOM were notified of the corporate business reorganization for its acknowledgement. The technical and legal areas of the Argentine Communications Commission issued a favorable resolution with respect to the compliance with the requirements of current regulations to register Fibertel's license under the name of Cablevisión. SECOM had a term of 60 days to decide on the corporate business reorganization. However, such agency failed to render a decision as required by the applicable regulations. Not until August 19, 2010 did SECOM issue Resolution No. 100/2010, revoking Fibertel's license.

Cablevisión believes that the Resolution is arbitrary and that it flagrantly violates due process and its defense right. Therefore, Cablevisión has appealed such resolution. No decision has been rendered on the matter yet.

p. On October 28, 2010, Cablevisión was served notice of the National Administration of Domestic Trade's resolutions imposing two fines of Ps. 5 million each, for allegedly failing to observe the typographic character requirements under applicable regulations (Resolution 906/98) when informing its subscribers of the increase in the price of their cable television subscriptions. Cablevisión appealed the fines on November 12, 2010 because it believes it has strong grounds in its favor. However, it cannot assure that the outcome will be favorable. One of the files was assigned No. 1280 and is pending before Chamber No. 1 of the Federal Administrative Court of Appeals, and the other one was assigned No. 1,278 and is pending before Chamber No. 5 of the Federal Administrative Court of Appeals.

q. The litigation brought before the Civil, Commercial, Mining and Labor Court of the City of Concarán, Province of San Luis, in early 2007 in re "Grupo Radio Noticias SRL v. Cablevisión and others", is still pending before the Federal Court in Administrative Litigation Matters No. 2.

The purpose of that claim was to challenge the share transfers mentioned in Note 10.1.c. and to request the revocation of Cablevisión's broadcasting licenses. Cablevisión has responded to such claim and believes it is very unlikely that it will be admitted.

r. The Government of the City of Mar del Plata enacted Ordinance No. 9163, governing the installation of cable television networks. Such ordinance was amended and restated by Ordinance No. 15,981 dated February 26, 2004, giving cable companies until December 31, 2007 to adapt their cable networks to the new municipal requirements. The ordinance sets forth that in those areas where street lighting has underground wiring, cable television networks are to be placed underground. In this sense, the Executive Department of the Municipality of General Pueyrredón has submitted to the Municipal Council a proposed ordinance extending the term provided until December 31, 2015. Such ordinance is ready for discussion by legislators. Even though the ordinance provides for certain penalties that may be imposed, the City has not imposed such penalties to cable systems that are not in compliance with such ordinance.

s. On November 27, 2012 the National Administration of Domestic Trade served Cablevisión with Resolution No. 308/2012, whereby it imposed a Ps. 5 million fine on that company alleging that it had failed to comply with Section No. 4 of the Antitrust Law (increase in the subscription price of cable tv services/wrongful information provided by Customer Service, informed by mail that SCI Resolution No. 50/10 and the supplementing resolutions are suspended on grounds of unconstitutionality, when in fact they have been suspended by an injunction). On December 11, 2012 Cablevisión appealed Resolution No. 308/2012. The administrative file No. S01:0312056/2011 is currently pending before the National Administration of Domestic Trade and must be submitted to the Federal Court of Appeals on Administrative Matters for it to determine, by lottery, the first instance court that will hear the case.

Cablevisión and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, Cablevisión cannot assure that the revocation of the fine will be resolved in its favor.

10.2 Claims and Disputes with Governmental Agencies

a. Concerning the decisions made at the Company's Annual Regular 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. on/ ordinary" 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 Regular Shareholders' Meeting held on April 22, 2010. As of the date of these financial statements, the Company has duly answered to the complaint and the intervening judge ordered discovery proceedings which have already commenced.

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

b. The Argentine Federal Revenue Service ("AFIP") served the subsidiary CIMECO with a notice challenging its income tax assessment for the fiscal periods 2000, 2001 and 2002. In such notice, the AFIP challenged mainly the deduction of interest and exchange differences in the tax returns filed for those years. If AFIP's position prevails, CIMECO's maximum contingency as of December 31, 2012 would amount to approximately Ps. 12 million principal amount and Ps. 24.9 million interest.

CIMECO filed a response, which was dismissed by the tax authorities. The tax authorities issued their own official assessment and imposed penalties. CIMECO appealed the tax authorities' resolution before the National Tax Court on August 15, 2007.

During the year ended December 31, 2010, CIMECO received a pro forma income tax assessment from the AFIP for fiscal periods 2003 through 2007, as a consequence of AFIP's challenge to CIMECO's income tax assessments for the periods 2000 through 2002 mentioned above. CIMECO filed a response before AFIP, rejecting such assessment and requesting the suspension of administrative proceedings until the Federal Tax Court renders its decision on the merits.

During 2011, the AFIP served CIMECO with a notice stating the income tax charges assessed for the periods 2003 through 2007 and ordering the initiation of summary proceedings. The AFIP's assessment shows a difference in the Income Tax liability for the above indicated periods in its favor for an amount in excess of the amount that had been estimated originally, as a result of the method used to calculate certain deductions. CIMECO responded to the assessment rejecting all of the adjustments and requesting that the proceedings be rendered without effect and filed, with no further actions to be taken.

On April 26, 2012, the AFIP issued a new official assessment comprising the fiscal periods 2003 through 2007 in which it applied the same method for the calculation than that used for the administrative settlement, claiming a total liability of Ps. 120 million. On May 21, 2012, an appeal was filed with the Federal Tax Court.

CIMECO and its legal and tax advisors believe CIMECO has strong grounds to defend the criteria adopted in their tax returns and that AFIP's challenges will not be admitted by the Federal Tax Court. Accordingly, CIMECO has not booked an allowance in connection with the effects such challenges may have.

c. Since 2005, the ANA has brought several claims against the holders of broadcasting and cable TV licenses for the payment of customs duties applicable to the import of films documented between 2000 and 2005. According to the ANA, holders of TV licenses are liable to pay customs duties, VAT and income tax not only on the customs value of the physical supports, but also on the reproduction rights agreed upon in the related contracts. ARTEAR filed objections against

these claims on the basis of international agreements, doctrine and case law on the subject. As a consequence of the criteria followed by ARTEAR, during the period covered by the claim, it paid other taxes that would not have been payable if ANA's interpretation had been applied. As of the date of these financial statements, ARTEAR had to pay the differences claimed by ANA in a few isolated cases because the appeals filed with the Federal Court of Appeals against the National Tax Court's decisions do not have staying effects. In the first unfavorable decision rendered by Chamber No. 4 of the Federal Court of Appeals, which was appealed by ARTEAR, the Argentine Supreme Court refrained from rendering judgment on the merits of the case. Over the last months, all other Chambers of the Federal Court of Appeals have rendered decisions against ARTEAR's position. Therefore, as of the date of these financial statements, ARTEAR has set up an allowance to account for the estimated losses that may result from such claims, notwithstanding the fact that ARTEAR still considers that its interpretation of the customs law is based on reasonable legal grounds.

d. On September 10, 2010, the AFIP served TRISA with a notice with objections to its income tax assessment, with respect to the application of the withholding regime set forth under the section following section 69 of the Income Tax law, for fiscal periods 2004, 2005 and 2006. If AFIP's position prevails, TRISA's contingency would amount to approximately Ps. 28.9 million, out of which Ps. 9.3 million corresponds to taxes on dividend payments made during those years, Ps. 6.5 million to a 70% fine on the omitted tax, and Ps. 13.1 million to late-payment interest.

TRISA filed a response, which was dismissed by the tax authorities. On December 20, the tax authorities issued their own official assessment and imposed penalties. TRISA appealed the tax authorities' resolution before the National Tax Court on February 8, 2011.

TRISA and its legal and tax advisors believe that TRISA has strong grounds to defend its position and that AFIP's challenges will not be admitted by the Federal Tax Court. Accordingly, TRISA has not booked a provision in connection with the effects such challenges may have.

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

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

f. As a result of a report on suspicious activities reported by the Argentine Federal Revenue Service ("AFIP") concerning transactions carried out between the Company and some subsidiaries, the Financial Information Unit ("FIU") pressed criminal charges for alleged money laundering. The action is now pending before Federal Court No. 9, under Dr. Luis Rodriguez. The FIU has pressed charges against the Company and its directors for alleged money laundering activities related to the trading of shares between the Company and some of its subsidiaries. The Company has

appointed defense attorneys and has requested a copy of the file to understand the details of the charges. As of the date of these consolidated financial statements, the FIU has not yet produced all the evidence requested by prosecutor Miguel Angel Osorio.

The Company and its legal advisors consider that there are strong arguments in the Company's favor having gathered evidence that supports their lack of involvement in any such maneuvers. However, they cannot assure that the outcome of this action will be favorable.

g. By means of Resolution 16,364/2010, dated and notified to AGEA as of July 15, 2010, the CNV's Board of Directors decided to initiate summary proceedings against AGEA and certain current and past members of its board of directors and supervisory commission, for alleged infringement of the Argentine Business Associations Law, Decree No. 677/01 and Law No. 22,315. AGEA, as well as the current and past members of the board of directors and supervisory commission who are subject to the summary proceedings, duly filed their respective responses.

h. AGEA received several inspections from the AFIP aimed at verifying compliance with the so-called competitiveness plans implemented by the National Executive Branch. As a result of such inspections, after several reports issued by the AFIP and the corresponding Resolutions issued by the Ministry of Economy, such bodies allege that certain acts performed by AGEA during 2002 lead to the nullity of some of the benefits granted under said plans for an estimated amount of Ps. 33.4 million. AGEA and its legal counsel believe that there are sufficient grounds in favor of AGEA and, accordingly, no provision has been recorded. An ordinary appeal has been filed by AGEA against such Resolutions. As of the date of these financial statements, such appeal is pending resolution. However, AGEA cannot assure that the appeal will be resolved in its favor.

10.3 Other Claims and Disputes

a. On December 12, 2001, Supercanal filed a claim against Multicanal for damages as a result of the enforcement of a preliminary injunction brought by Multicanal against Supercanal. Multicanal responded to such claim denying

any liability. Based on de jure and de facto precedents of the case, Cablevisión, as successor of Multicanal's operations, believes that the claim filed should be rejected in its entirety, and that the legal costs should be borne by the plaintiff. As of the date of these financial statements, the proceeding was at the discovery stage. The court of first instance dismissed Supercanal's request that it be allowed to sue without paying court fees or costs. This decision has been ratified by the Federal Court of Appeals.

b. On June 22, 2007 TRISA and TSC executed several documents with AFA, applicable from the 2007/2008 until the 2013/2014 soccer seasons, governing the broadcasting by TRISA of all of the National "B" soccer tournament matches and by TSC of ten of the Argentine soccer first division official tournament matches played each week. Out of those ten matches, TRISA broadcast five through TyC Sports.

Those agreements set the price to be paid by TRISA for these products and clearly stated its right to sell such products and, additionally, had AFA's express consent.

On August 12, 2009 AFA notified TSC of its decision to terminate unilaterally the above-mentioned agreement. TSC has challenged AFA's unilateral termination of the agreement and, in order to safeguard its rights, on June 15, 2010 it brought a legal action against AFA for contractual breach and damages.

On July 27, 2011, AFA unilaterally terminated the agreement that bound AFA and TRISA until the 2013/2014 soccer season for the broadcasting of all Argentine National "B" soccer tournament matches. AFA's decision was totally arbitrary and illegitimate, since TRISA has not breached any provision of the agreement, which does not expressly allow voluntary unilateral termination by either party. Therefore, TRISA has challenged AFA's unilateral termination of the agreement.

In light of the events and until the situation is remedied, TRISA will not be able to broadcast the five weekly matches of the first division tournament or any of the National "B" soccer tournament matches that it used to broadcast on its signal TyC Sports.

The broadcasting rights for the matches of Metropolitan First B category are not governed by the above-mentioned agreements, but by an agreement that is in full force and effect as of the date of these financial statements.

The situation described above had a significant impact on TRISA's revenues and costs. Therefore, it had to adjust its signal to these new circumstances.

In light of the circumstances described in the above paragraphs, as from August 2009, TRISA has recorded a portion of its revenues based on the progress of negotiations with each client and the new content of the signal.

During this year, TRISA has completed those negotiations. As a result, no significant differences arose between the actual results and the original estimates.

c. On January 31, 2012, FADRA informed Grupo Carburando's subsidiary Mundo Show S.A. the unilateral rescission of the agreement executed in 2006 whereby FADRA assigned to that company the rights comprising image, sound and static advertising of motor racing at the road racing events Turismo Carretera and TC Pista until December 31, 2015. Mundo Show S.A. has challenged and rejected FADRA's unilateral rescission of the agreement and is analyzing the legal actions it will bring to safeguard its rights. In light of the events and until the situation is remedied, Mundo Show S.A. will not be able to sell or export the audiovisual and static advertising rights of the above-mentioned motor racing events. Therefore, an allowance has been set up for impairment of goodwill and other assets related to such agreement in the amount of approximately Ps. 17 million.

d. Pursuant to a notarial certificate issued on September 19, 2008, AGEA and the Company were served with a legal action brought by an entity representing consumers and alleged financial victims (and by six other individuals). Claimants are Multicanal noteholders who claim to be allegedly affected by Multicanal's APE. The claim is grounded on a Consumer Defense Law which, in general terms, provides for an ambiguous procedure that is very strict against the defendant.

The Company, AGEA and certain directors and members of the supervisory committee and shareholders have been served with the claim. After rejecting certain preliminary defenses presented by the defendants, such as the application of statutes of limitation and the failure to comply with prior mediation procedures, the claim followed ordinary procedure and the above-mentioned persons duly filed their respective responses.

e. On September 16, 2010 the Company was served with a claim brought against it by Consumidores Financieros Asociación Civil para su Defensa. The plaintiff claims a reimbursement of the difference between the value of the shares of the Company purchased at their initial public offering and the value of the shares at the time a decision is rendered in the case. The Company has duly responded to the claim and the intervening Court has deemed the claim responded.

10.4 Matters concerning Papel Prensa:

I. Papel Prensa has several disputes pending before the Commercial Court of Appeals of the City of Buenos Aires as a consequence of CNV Resolution No. 16,222. Pursuant to said Resolution, the CNV declared that certain decisions of Papel Prensa's Board of Directors were irregular and with no effect for administrative purposes. The Resolution challenged the Board's fulfillment of the formalities required in the preparation, transcription and execution of meeting minutes on the relevant corporate books. On June 24, 2010, in File No. 75,479/09, the Commercial Court of Appeals of the City of Buenos Aires, Chamber C, decided to nullify CNV Resolution No. 16,222. On the basis of Resolution No. 16,222, the CNV has questioned subsequent decisions of Papel Prensa's Board and of its Shareholders. In response, Papel Prensa has brought several administrative claims against the CNV, questioning its position. All of such claims were decided in Papel Prensa's favor by the Commercial Court of Appeals of the City of Buenos Aires. Consequently, the CNV's decisions were nullified. Furthermore, the Commercial Court of Appeals, Chamber C, dismissed the appeals filed by the CNV before the Supreme Court of Argentina against the Court of Appeals' decisions. The CNV filed a direct appeal before the Supreme Court.

As a consequence of the above, Papel Prensa has continued with the criminal proceedings brought against certain public officials.

On February 1 and 4, 2010 the Secretary of Domestic Trade, Mario G. Moreno, and the CNV, respectively, requested the judicial intervention of Papel Prensa before the commercial justice. Such claims were pending before the Federal Commercial Court of First Instance No. 2, Clerk's Office No. 4, temporarily under judge Dr. Eduardo Malde, who, on March 8, 2010, issued an injunction whereby he suspended certain decisions adopted at meetings of the Board of Directors and at Shareholders Meetings held on or after November 4, 2009. Judge Malde also appointed a co-administrator without removing the members of the previous corporate bodies. Papel Prensa filed an appeal, which the Commercial Court of Appeals, Chamber C, resolved in Papel Prensa's favor, by revoking the injunction on August 31, 2010. On December 7, 2010 the same Chamber C dismissed the appeals filed by the CNV and the National Government before the Supreme Court of Argentina against the Court of Appeals' decision. Both the CNV and the National Government filed direct appeals against such decision.

None of the claims mentioned in the above paragraphs had a material effect on AGEA's financial and economic condition as of December 31, 2012.

II. On January 6, 2010, the SCI issued Resolution 1/2010 whereby certain business practices were imposed on Papel Prensa. Papel Prensa brought a legal action against such resolution on grounds of unconstitutionality before the Federal Court on Administrative Matters and requested an injunction which was granted by the intervening judge. Pursuant to the injunction, the effects of such Resolution were suspended. On May 7, 2010, the Federal Court on Administrative Matters revoked the injunction. Papel Prensa appealed such decision, which was affirmed by the Federal Court of Appeals on Administrative Matters. Papel Prensa filed an appeal against the Court of Appeals' decision. The appeal was denied and Papel Prensa was served notice of that denial on September 1, 2010.

III. Papel Prensa suspended its operations with related parties between March 9 and April 21, 2010 pursuant to an injunction issued on March 8, 2010 by Judge Malde. In his ruling, Judge Malde decided to suspend the Board of Directors' resolution of December 23, 2009, which had approved the terms and conditions of transactions with related parties for the year 2010. On April 21, 2010, the Board of Directors of Papel Prensa, following a proposal made by the court-appointed supervisor (interventor) and co-administrator, approved the resumption of such company's transactions with related parties under provisional conditions for as long as the decision rendered by the Board on December 23, 2009 remained suspended and/or until Papel Prensa's corporate bodies established a business practice to follow with related parties. Such approval involved suspending the application of volume discounts in connection with purchases made by related parties, which could be recognized in their favor, subject to the court's decision on the appeal filed by Papel Prensa against Judge Malde's injunction of March 8, 2010. As from April 21, 2010, transactions with related parties were resumed under the provisional conditions approved by the Board on April 21, 2010.

At a meeting held on December 23, 2010, Papel Prensa's Board of Directors approved new conditions that must be fulfilled for the recognition and payment of volume discounts that may be applicable to related parties in connection with purchases of paper made as from April 21, 2010. These new conditions are as follows: (i) the lifting of the provisional suspension of the resolutions adopted by the Board meeting of December 23, 2009, as explained in the previous paragraph, and (ii) the resolution or end, by any means, of any state of uncertainty that may eventually exist about the conditions approved by Papel Prensa's Board in the first item of the agenda of the meeting held on April 21, 2010, as a consequence of the claim brought by the National Government in re "National Government - Secretariat of Domestic Trade - v./ Papel Prensa S.A.I.C.F. y de M. on/ Ordinary", File No. 97,564, currently pending before Federal Commercial Court of First Instance No. 26, Clerk's Office No. 52. Under this proceeding, the National Government seeks to obtain, among other things, a declaratory judgment of nullity of the

provisional conditions for the resumption of transactions with related parties in connection with the purchase and sale of paper approved by Papel Prensa's Board in the first item of the agenda of the above mentioned meeting held on April 21, 2010.

Furthermore, at this meeting held on December 23, 2010, Papel Prensa's Board decided to maintain the originally approved sales policy, but to subject the accrual and enforceability, and, consequently, the recognition and payment to the clients, of the eventual volume discounts that may be applicable to them with respect to paper purchases made between January 1, 2011 and December 31, 2011, to a final favorable ruling in the claim brought by Papel Prensa against the constitutionality of SCI Resolution No. 1/2010, or to the final nullification of such Resolution No. 1/2010 in any other way or by any other legal means, whichever happens first. In connection with related parties, the Board approved the same policies and conditions as those approved for the other clients in general.

In a meeting held on December 27, 2011 Papel Prensa's Board of Directors decided to maintain for 2012 the same commercial policies that had been approved for 2011 - under the same terms and conditions mentioned in the previous paragraph - for all of its customers in general (including related parties).

The commercial policy approved by Papel Prensa was affected by Law 26,736 -effective as from January 5, 2012- which declared a matter of public interest the production, sale and distribution of wood pulp and newsprint and set forth the regulatory framework to be adopted by the producers, sellers, distributors and buyers of such inputs. Among other things, the Law set limits and established conditions applicable to Papel Prensa for the production, distribution and sale of newsprint (including a formula to determine the price of paper), and created the National Registry of Producers, Distributors and Sellers of Wood Pulp and Newsprint where all producers, sellers, distributors and buyers shall be registered as a mandatory requirement in order to produce, sell, distribute, and/or purchase newsprint and wood pulp as from the enactment of the Law. It also contains a series of temporary clauses, specifically and exclusively addressed to

Papel Prensa, whereby Papel Prensa is forced to make investments to meet the total national demand for newsprint - excluding from this requirement the other existing company that operates in the country with installed capacity to produce this input. The Law also provides for the capitalization of the funds eventually contributed by the National Government to finance these investments for the purposes of increasing the equity interest and the political rights of the National Government in Papel Prensa, contravening public order regulations contained in Law 19,550 and disregarding several constitutional rights and guarantees of Papel Prensa and its private shareholders.

On February 10, 2012 AGEA registered in the National Registry of Producers, Distributors and Sellers of Wood Pulp and Newsprint (Record No. 63 in File No. S01:0052528/12), clearly stating that the decision to register shall not be construed as an acknowledgment or conformity with the legitimacy of Law 26,736, Resolution No. 9/2012 issued by the Ministry of Economy and Public Finance and SCI Resolution No. 4/2012 issued in connection with such Law and/or any other issued in the future, since they seriously affect several rights and guarantees of AGEA which are recognized and protected by the Argentine National Constitution.

IV. On September 12, 2011, the CNV issued Resolution No. 16,647 whereby it rendered irregular and with no effect for administrative purposes the decisions made by Papel Prensa's Board of Directors at the meetings held on July 20, 2011 and August 5, 2011. At those meetings, the Board of Directors had called two shareholders' meetings, to be held on September 27, 2011 and September 15, 2011, respectively. Notwithstanding the fact that Resolution No. 16,647 was appealed by Papel Prensa and is therefore not final, on September 15, 2011, Commercial Court No. 5, Clerk's Office No. 9, issued an injunction with respect to the Board of Directors' decisions to call the two shareholders' meetings. The injunction had been requested by the shareholders Arte Gráfico Editorial Argentino S.A., Compañía Inversora en Medios de Comunicación (CIMECO) S.A., and S.A. La Nación. Given that the issuance of the injunction had validated Papel Prensa's decision to call the two shareholders' meetings, both were held as originally scheduled.

Nevertheless, and based on the above Resolution No. 16,647, on October 13, 2011 the CNV issued Resolution No. 16,671 rendering irregular and with no effect for administrative purposes all of the decisions made at Papel Prensa's Shareholders' Meetings held on September 15, 2011 and September 27, 2011. Papel Prensa filed an appeal against Resolution No. 16,671, which is, therefore, not final. Also based on Resolution No. 16,647, on November 16, 2011, the CNV issued Resolution No. 16,691 whereby the CNV rendered irregular and with no effect for administrative purposes the decisions made at the Board of Directors' Meeting held on October 3, 2011 and the call for the Board of Directors' meeting on November 17, 2011. Such Resolution is not to be deemed final since Papel Prensa filed an appeal and requested its nullification. In this sense, of particular note is that: (i) at the hearing held before Federal Commercial Court No. 26 of First Instance, Clerk's Office No. 52, the National Government, Papel Prensa, AGEA, Compañía Inversora en Medios de Comunicación (CIMECO) S.A. and S.A. La Nación agreed, among other things, on the composition of the company's corporate bodies, and in particular on the recognition of the authorities appointed by the private shareholders at Papel Prensa's Shareholders' meeting held on September 27, 2011, as well as on the agenda to be addressed at the meeting of Papel Prensa's Board of Directors of October 3, 2011, which had been the subject matter of Resolution No. 16,691; and (ii) at the hearing held in April 2012 before the same Commercial Court the National Government, Papel Prensa, AGEA, Compañía Inversora en Medios de Comunicación (CIMECO) S.A. and S.A. La Nación, with the assistance of the Argentine Securities Commission, agreed to request the court to order a shareholders' meeting with an agenda substantially similar to that of Papel Prensa's Shareholders' Meeting held on September 27, 2011. The request was granted by the intervening judge and the meeting was scheduled for August 29, 2012. The meeting began on that date but, as a consequence of certain disturbances provoked by the representative of the National Government, the private shareholders that were present at the meeting decided to adjourn it for 48 hours without addressing the agenda. After that,

and notwithstanding the resolution adopted at the meeting, on August 31, 2012 Judge O'Reilly decided to order that the adjourned meeting would resume on September 25, 2012. However, the meeting was not held because the Judge subsequently held that the appeals filed against other points of her decision resulted in the suspension of every point of the decision she had rendered, including the new date scheduled for the meeting, even though all appellants had consented to that point. Therefore, the new date of the court-convened meeting that began on August 29, 2012 may not be set until the Supreme Court has rendered its decision about the appeals against Judge O'Reilly's decision of August 31, 2012. Once that occurs and the file is sent back to the original court, Judge O'Reilly shall set a new date to resume the meeting.

V. AGEA has not recorded any impact in connection with the foregoing, since its effects shall depend on the final outcome. Such effects are not expected to be material to these financial statements.

Note 11

Regulatory Framework for Audiovisual Communication Services

Until the enactment of Audiovisual Communication Services Law No. 26,522, the installation, operation and acquisition of audiovisual communication services in Argentina were governed by Broadcasting Law No. 22,285. Cable TV activities were regulated and overseen mainly by the COMFER.

Under Law No. 22,285 broadcasting service companies in Argentina required a non-exclusive license from the COMFER in order to operate. Other approvals were also required, including the authorization from 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. Both Cablevisión and its subsidiaries

and other subsidiaries of Grupo Clarín that render broadcasting services, hold licenses granted by the COMFER under such Law. Some of Cablevisión's licenses, including its original license (with an extended term that originally expired on March 31, 2006), and the licenses of other 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 shall be 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's 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 Cablevisión, as well as the terms of the licenses to which Cablevisión became the universal successor, and the licenses of other subsidiaries, are currently suspended for ten years.

COMFER Resolution No. 275/09 lifted a suspension of license grants that had been ordered by COMFER Resolution No. 726/00 and approved the Rules governing the licensing of Broadcasting and Supplementary Services by means of a physical link, and set a term to apply for licenses under an abbreviated procedure. Therefore, Cablevisión and certain subsidiaries purchased bidding forms to apply for new licenses through this option in such locations where they had not obtained the suspension of the term ordered by Decree No. 527/05, since the terms of those licenses had expired.

Cablevisión has requested the COMFER's approval of several transactions, including certain company reorganizations and share transfers. The request for approval of the merger of Cablevisión and its subsidiaries (see Note 8.1.d.) is still pending.

The Audiovisual Communication Services Law (Law No. 26,522) 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 enacted. Therefore, Law No. 22,285 still applies with respect to those matters which to date have not been regulated, until all terms and procedures for the regulation of the new law are defined.

The law provides for the replacement of the COMFER with the Audiovisual Communication Services Law Federal Enforcement Authority (AFSCA, for its Spanish acronym) as a decentralized and autocratic agency under the jurisdiction of the Executive Branch, and vests the new agency with authority to enforce the law. It may be argued that, as of the date of these financial statements, AFSCA has not yet been fully formed and, therefore, its functioning is still questionable.

The new law, which governs the audiovisual communication services activities conducted by the Company through its subsidiaries, establishes, among other things,:

- A license award and review scheme that grants wide discretion to the Executive Branch and to an Enforcement Authority with questionable composition and powers,
- A 10-year limitation to the terms of licenses, with a one-time non-renewable extension,
- The non-transferability of authorizations and licenses,
- A regulatory framework and registration requirements for signals, production companies and advertising agencies,
- A multiple license scheme that: i) restricts to 10 the number of Audiovisual Communication Service licenses, plus a single broadcasting signal for radio, broadcast TV and subscription cable TV services that make use of the radio spectrum; ii) restricts the licensing of subscription broadcasting services rendered by means of a physical link (cable), limiting the number of licenses to 24; iii) sets forth a further restriction on these services, which may not be provided to more than 35% of all inhabitants or subscribers nationwide; iv) establishes that a broadcast TV signal and a cable TV signal

may not be simultaneously exploited in the same location, and v) establishes that broadcast TV networks may only own one cable TV signal. The same applies to cable TV networks, which may only own the so-called “local channel”, which is mandatory for every license

- Mandatory quotas for certain types of content.

Also controversially, the law sets forth retroactive effects by requiring holders of current broadcasting licenses - which were legitimately acquired rights under Law No. 22,285 as amended - to conform to the new law within the term of one year counted as from the time certain mechanisms required for implementation are set in place.

It is publicly known that several concerns have been expressed about this law, since it has defects that render it unconstitutional; it seriously damages the development of the audiovisual industry and it restricts fundamental freedoms. Some of these industry players, among them Grupo Clarín and its main subsidiaries, have already made court filings in this sense. As of the date of these financial statements, insofar as the Company is concerned, two preliminary injunctions are in full force and effect providing for: (i) the provisional suspension of section 161 of the Audiovisual Communication Services Law with respect to Grupo Clarín, Cablevisión and other subsidiaries, which has been confirmed by the Supreme Court of Argentina, and (ii) at the request of the Consumer Defense Committee, the suspension of the application of sections 45, 161 and 62 through 65 of such Law. Even though this decision has been partially revoked by the Federal Court of Appeals of Salta, the Court of Appeals' decision may be deemed not to be final since the affected party filed an extraordinary appeal, thereby restoring the effects of the decision rendered in the first instance.

Regarding the suspension of Section 161 referred to under point (i) above, it should be noted that the Supreme Court of Argentina had confirmed both the injunction and the term of three years set by Chamber I of the Federal Court of Appeals on Civil and Commercial Matters, only changing the date as from which such term had to be calculated. According to such decision, the application of Section 161

was suspended for plaintiffs until December 7, 2012, after which date Section 161 of Law 26,522 could be applicable to the Company and its subsidiaries.

In light of certain delaying maneuvers carried out by the National Government, aimed at avoiding a decision on the constitutionality of such law before the date mentioned above, on December 6, 2012 the same Court of Appeals extended the effectiveness of the injunction then in force until a final judgment is rendered on the merits of the case. Against such decision, the National Government filed an appeal directly before the Supreme Court of Argentina. The Court dismissed in-limine the appeal filed by the National Government on December 10, 2012 on the grounds that there were no urgent reasons to decide on the matter, maintaining the effectiveness of the injunction. The National Government filed a Federal Extraordinary Appeal, which was granted by the Court of Appeals on December 19, 2012 and is currently pending before the Supreme Court of Argentina.

On December 14, 2012 the Company was served with the decision rendered by the Court of First Instance on the merits of the case in re "Grupo Clarín S.A. and Other v. the Executive Branch on Declaratory Action" (File 119/10). The judge recognized the legitimacy of the plaintiffs to bring an action, considering them holders of the licenses, but rejected the unconstitutionality claim with legal costs to be borne by the claimant. An appeal was filed against that decision in due time and form and is now pending before the Court of Appeals. Subsequently, the Court of Appeals shall order the parties to provide grounds for the appeal filed (see Note 18).

On December 17, 2012, the Company, Cablevisión, Artear and Radio Mitre were served with AFSCA/12 Resolution No. 2276, whereby the AFSCA decided to commence the official transfer procedure, further ordering the appraisal by the Court of Appraisals of Argentina of the licenses and the indispensable assets related to broadcast services and ordering both companies to respond, within the framework of that procedure, to a request for information about the licenses and/or services directly or indirectly owned by them. Those

companies challenged AFSCA's resolution because it violates the injunction granted and extended by Chamber No. 1 of the Federal Civil and Commercial Court of Appeals.

The Executive Branch has regulated most sections of Law No. 26,522 by means of Decree No. 1,225/2010. The most notably arbitrary provision of this decree is the highly discretionary mandatory divestiture system set forth to regulate Section 50 of the Audiovisual Communication Services Law, which has evident confiscatory effects.

Additionally, AFSCA has issued Resolution No. 432/2011, whereby it approved new bidding terms and conditions for the granting of licenses.

Even though Grupo Clarín's subsidiaries have challenged the validity or constitutionality of some regulations imposed by the Enforcement Authority, they have fully complied with the required procedures only in the event that such requirements may be considered valid, for the purposes of safeguarding their rights.

Cablevisión complied with AFSCA Resolution No. 296/2010, which provides guidelines for the organization of the programming grid that must be followed by the owners of pay TV audiovisual services. This resolution regulates section 65, subsections a) and b) of Law No. 26,522. The Resolution supplements the provisions of the regulations to the same section of Decree No. 1,225/2010. Cablevisión believes that both the provisions of Decree No. 1,225/2010 and AFSCA Resolution No. 296/2010 are regulatory abuses and violate the right to freedom of press, guaranteed by the National Constitution.

In spite of Cablevisión's efforts to organize its programming grids in accordance with the provisions of section 65 of Law No. 26,522, AFSCA has disregarded the effectiveness of several court decisions ordering the suspension of this law and its regulations and has initiated multiple summary proceedings in connection with the cable television licenses of which Cablevisión is the lawful successor. AFSCA contends that Cablevisión failed to comply with the regulations set forth by AFSCA Resolution No. 296/2010. Cablevisión submitted the

responses set forth under section 1, Exhibit II of AFSCA Resolution No. 224/2010 in connection with such accusations. A decision has been rendered on some of the summary proceedings and, as a result, a fine was imposed on Cablevisión. Cablevisión has appealed these decisions. Some of the appeals filed by Cablevisión have been decided against it and have again been appealed.

To date, two court decisions that order the inapplicability of Resolution No. 296/2010 are still in effect, to wit: i) the injunction issued in re “CODELCO v. NATIONAL GOVERNMENT -EXECUTIVE BRANCH ON PRELIMINARY INJUNCTION” pending before the Federal Court of Salta, which suspended, among other things, the application of section 65 of Law No. 26,522 and its regulations. Even though such decision was revoked by the Federal Court of Appeals of Salta, the Court of Appeals' decision may be deemed not to be final since the affected party filed an extraordinary appeal, thereby restoring the effects of the decision rendered in the first instance and ii) the injunction ordered in re “CABLEVISIÓN S.A. v. NATIONAL GOVERNMENT AND OTHERS ON COMPLAINT FOR THE PROTECTION OF CONSTITUTIONAL RIGHTS” by the Federal Court of Appeals of Mar del Plata, whereby the decision rendered in the First Instance was revoked. Such decision rendered in the First Instance had ordered the dismissal of Cablevisión's request, ordering AFSCA to suspend - until a final decision was rendered on the matter - the application of the penalties derived from the alleged non-compliance with section 65 of Law No. 26,522 and Decree No. 1,225/2010 and the application of section 6 of AFSCA Resolution No. 296/2010 on the grounds that Cablevisión's alleged serious non-compliance was not contemplated in the Law or in the Decree. The National Government filed an appeal with the Supreme Court against this decision. Such appeal is still pending resolution.

In re “AFSCA v. CABLEVISION SA Decree 1225/10 - RES. 296/10 on/ Proceeding leading to a declaratory judgment” currently pending before the Federal Court of First Instance on Administrative Matters No. 9, on May 16, 2012 the Court granted an injunction that had been requested by AFSCA, ordering Cablevisión

and/or the pay television audiovisual services it exploits to conform to Section 65, paragraph 3 b) of Decree No. 1225/2010 and Sections 1, 2, 3, 4 and 5 of AFSCA Resolution No. 296/2010, until a final judgment is rendered on the merits of the case. Cablevisión appealed such injunction.

On August 6, 2012, Cablevisión was served notice of a decision rendered by the Federal Court of First Instance on Administrative Matters No. 9 of the City of Buenos Aires, whereby it imposed a fine on Cablevisión of Ps. 20,000 per day for each day of delay in conforming to the injunction that ordered Cablevisión to comply with Section 65 of Decree No. 1,225/2010 and AFSCA Resolution No. 296/2010. Cablevisión appealed such fine. As of the date of these financial statements, the appeals filed against the injunction and the fine referred to above are still pending before Chamber No. 4 of the Federal Court of Appeals on Administrative Matters.

Between September and October 2011, AFSCA brought 46 charges of delegation of the exploitation of several licenses of which Cablevisión is currently the legal successor. The charges were brought within the framework of COMFER file No. 2,005/08, concerning the registration of the corporate reorganization whereby Multicanal and Teledigital, among other subsidiaries, merged into Cablevisión. Cablevisión has submitted the appropriate responses on behalf of the merged licensees charged as indicated above, which to date have not been decided upon. Cablevisión believes it has strong grounds to reverse the charges brought by administrative and/or judicial means. As of the date of these financial statements, the responses submitted are still pending resolution.

The Company and its subsidiaries are evaluating the possible effects on their business of such questioned Audiovisual Communication Services Law, its implementing regulations and the matters mentioned above. Depending on several aspects, the Company and/or some of its subsidiaries could be forced to divest of certain services, which shall in turn depend on the choices made by the Company and/or its subsidiaries.

All of the above could result in a reduction of the services the Company currently renders, the ownership and rights of which were acquired in compliance with Law No. 22,285. Therefore, at present this situation generates uncertainties about the business of the Company and its subsidiaries, which could significantly affect the recoverability of the Company's relevant assets.

In re “Grupo Clarín S.A. and others v. the Executive Branch on/Declaratory Action” (File No.119/10), the accounting and economic experts have submitted their reports where, among other things related to the claim, have estimated the potential accounting and company value losses the Company would suffer if compelled to make divestitures in the final term of one year. Based on the experts' exclusive assumptions, this situation could result in potential accounting losses ranging from Ps. 1.5 billion and Ps. 3.3 billion and a potential significant impairment of the company value. However, the experts have stated that these estimates will depend on several decisions that have not yet been made by the plaintiffs and, therefore, the actual outcome could differ from their estimates.

In this sense, AFSCA's application of other interpretations of the law and/or its regulation may allow for taking different actions than those taken by expert witnesses, which may produce different results to those originally estimated by the latter.

However, taking into account the new developments that have been taking place regarding AFSCA's interpretations concerning other companies subject to the Law, there are uncertainties for the Company as to the effects that would be derived from the eventual concrete application of such law, which may vary if a wide or restrictive interpretation of the law prevails and, therefore, the corresponding actions to be taken by the Company. The Company continues analyzing the economic impact and the possible consequences that would be derived from an improbable but possible unfavorable judgment. For this reason, the Company cannot accurately quantify the eventual impact on these financial statements.

However, the recoverability of the Company's assets could be unaffected if the Company's and

other parties' main arguments were adopted to create a framework of increased rationality, either by the amendment, repeal or declaration of unconstitutionality of the new media law and/or its implementing regulations.

The Company and its legal advisors consider that this Audiovisual Communication Services law and its implementing regulations violate fundamental constitutional rights, such as, the property right and freedom of the press, among others. For this reason, it will bring the legal actions in each instance to safeguard its rights and those of its shareholders; as well as to protect the fundamental principles infringed by such law.

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

Other Matters Related to the COMFER, now AFSCA.

Cablevisión

As from November 1, 2002 and until December 31, 2012, the COMFER and AFSCA initiated summary administrative proceedings against Cablevisión and Multicanal (merged into Cablevisión) for infringements of regulations regarding the content of programming. Accordingly, a provision has been set up in this regard.

ARTEAR

As of December 31, 2012, ARTEAR recorded a provision in the amount of approximately Ps. 7.8 million for fines imposed by the COMFER and AFSCA, some of which have been appealed and are pending resolution.

Note 12

Capital Stock Structure

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

- 75,980,304 Class A common, registered, non-endorable shares, with nominal value of Ps. 1 each and entitled to 5 votes per share.

- 186,281,411 Class B book-entry common shares, with nominal value of Ps. 1 each and entitled to 1 vote per share.

- 25,156,869 Class C common, registered, non-endorable shares, with nominal value of Ps. 1 each and entitled to 1 vote per share.

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

Note 13

Long-Term Savings Plan

During the last quarter of 2007, the Company, together with its subsidiaries, began to implement a PALP for certain executives (directors and managers comprising the "executive payroll"), which became effective in January 2008. Executives who adhere to such plan undertake to contribute regularly a portion of their salary (variable within a certain range, at the employee's option) to a fund that will allow them to strengthen their savings capacity. Each company of the Group where those executives render services will match the sum contributed by such executives. This matching contribution will be added to the fund raised by the employees. Under certain conditions, the employees may access such funds upon termination of their participation in the PALP.

The PALP provides for certain special conditions for those managers who were in the "executive payroll" before January 1, 2007. Such conditions

consist of supplementary contributions made by each company to the PALP related to the executive's years of service with the Group. As of December 31, 2012, such supplementary contributions made by the Company on a parent company only basis amount to approximately Ps. 11 million, and the charge to income is deferred until the retirement of each executive.

Pursuant to IAS No. 19, the above-mentioned savings plan qualifies as a Defined Contribution Plan, which means that the companies' contributions shall be charged to income on a monthly basis as from the date the plan becomes effective.

Note 14

Financial Instruments

14.1 Financial Risks Management

Grupo Clarín is a party to transactions involving financial instruments, which entail exposure to market, currency and interest rate risks. The management of these risks is based on the particular analysis of each situation, taking into account its own estimates and those made by third parties of the evolution of the respective factors.

14.1.1 Capital Risk Management

Grupo Clarín manages its capital structure seeking to ensure its ability to continue as an ongoing concern, while maximizing the return to its shareholders through the optimization of debt and equity balances.

As part of this process, Grupo Clarín monitors its capital structure through the debt-to-equity ratio, which is equal to the quotient of its net debt (loans less Cash and Banks and other Current Investments) divided by shareholders' equity.

The debt-to-equity ratio for the year ended December 31, 2012 and 2011 is as follows:

	December 31, 2012	December 31, 2011
Loans ⁽ⁱ⁾	62,084,479	127,730,585
Less: Cash and Cash Equivalents		
- Cash and Banks	(5,251,306)	(2,950,680)
- Other Current Investments	(7,742,929)	(29,866,561)
Net Debt	49,090,244	94,913,344
Shareholders' Equity	4,090,030,112	3,634,142,107
Debt-to-Equity Ratio	0.01	0.03

(i) Long-term and short-term loans, including derivatives and financial guarantee agreements.

Since Grupo Clarín is a holding company, the measurement of this ratio on the Company's parent company only balances is not relevant. On a consolidated basis, the debt-to-equity ratio is reasonable compared to other industry players and considering the particular situation of Argentina and of the companies that make up Grupo Clarín.

14.1.2 Categories of Financial Instruments

	December 31, 2012	December 31, 2011	January 1, 2011
Financial Assets			
Loans and Receivables ^{(1) (2)}			
- Cash and Banks	5,251,306	2,950,680	3,055,959
- Current Investments	572,684	500,593	6,730,100
- Other Receivables	23,664,987	83,741,275	2,943,979
At fair value with an impact on net income			
- Current Investments	7,170,245	29,365,968	6,909,142
Total Financial Assets	36,659,222	116,558,516	19,639,180

	December 31, 2012	December 31, 2011	January 1, 2011
Financial Liabilities			
At amortized cost			
- Debt ⁽³⁾	62,084,479	127,730,585	71,242,000
- Accounts Payable and Other Liabilities ⁽⁴⁾	26,498,650	22,166,595	18,918,457
Total Financial Liabilities	88,583,129	149,897,180	90,160,457

(1) Net of the allowance for doubtful accounts in the amount of Ps. 28.0 million, Ps. 31.3 million and Ps. 32.5 million, respectively.

(2) Includes receivables with related parties in the amount of Ps. 23.0 million, Ps. 83.2 million and Ps. 2.5 million, respectively.

(3) Debts with related parties.

(4) Includes debts with related parties in the amount of Ps. 1.4 million, Ps. 0.3 million and Ps. 1.3 million, respectively.

14.1.3 Objectives of Financial Risk Management

Grupo Clarín monitors and manages the financial risks related to its operations; these risks include market risk (including exchange risk, interest rate risk and equity price risk), credit risk and liquidity risk.

Grupo Clarín does not enter into financial instruments for speculative purposes as common practice. As of December 31, 2012 and 2011, the Company was not a party to agreements involving derivatives.

	(USD)	(USD)
	December 31, 2012	December 31, 2011
Assets		
Current Assets		
Cash and Banks	59,361	39,179
Other Investments	1,586,666	7,010,930
Total Current Assets	1,646,027	7,050,109
Total Assets	1,646,027	7,050,109

The Central Bank of Argentina and the Argentine Federal Revenue Service issued certain resolutions related to the exchange market, establishing regulations on the requirements for accessing such market. These financial statements have been prepared based on the assumption that the Company will be able to access such market in order to purchase the foreign currency needed to meet its obligations.

14.1.4 Exchange Risk Management

Grupo Clarín enters into foreign currency transactions; therefore, it is exposed to fluctuations of exchange rates.

The Company does not currently enter into foreign exchange hedging transactions to manage foreign currency fluctuation risk. In case the Company enters into such transactions, it cannot assure that those operations will protect its financial position from the eventual negative effect of exchange rate fluctuations.

The following table shows the monetary assets and liabilities denominated in foreign currency at the closing of the year ended December 31, 2012 and 2011:

14.1.4.1 Foreign Exchange Sensitivity Analysis

Grupo Clarín is exposed to exchange risk, mainly with respect to the US dollar.

The following table shows the Company's sensitivity to an increase in the exchange rate of the US dollar. The sensitivity rate represents Management's assessment of the possible reasonable changes in exchange rates. The sensitivity analysis only includes the outstanding monetary items denominated in foreign currency and adjusts its translation at the end of the year with a 10% increase in the exchange rate, assuming that all the remaining variables remain constant.

	Effect in Ps. December 31, 2012	Effect in Ps. December 31, 2011
Net Income	803,261	3,006,166

The sensitivity analysis presented above is hypothetical since the quantified impact is not necessarily an indicator of the actual impact, because exposure levels may vary over time.

Additionally, even though Grupo Clarín conducts its operations in Argentine pesos, an eventual devaluation of such currency may have an indirect impact on its operations, depending on the ability of the suppliers involved to adjust their prices to such effect.

14.1.5. Interest Rate Risk Management

At the closing of the year, the Company does not have any financial assets or liabilities with variable interest rates. However, a

substantial increase in interest rates may limit the Company's ability to access financing.

14.1.6. Credit Risk Management

Credit risk is defined as the risk that one of the parties may breach its contractual obligations, generating an eventual financial loss for Grupo Clarín. The Company renders services solely to companies of the same economic group. The credit risk on liquid funds is limited due to the fact that the counterparties are banks with high credit ratings issued by credit rating agencies.

The following table details the maturities of the Company's financial assets as from the closing of the reporting year. The amounts disclosed in the table are the undiscounted contractual cash flows.

	December 31, 2012	December 31, 2011
Payable on Demand	12,994,235	32,817,241
Without any established term	23,376,815	83,563,596
To fall due		
- Up to three months	288,172	177,679
	36,659,222	116,558,516

14.1.7. Liquidity Risk Management

The Board of Directors is ultimately responsible for liquidity management. Accordingly, it has established an adequate framework to manage liquidity so that Management can meet short, medium and long-term financing requirements, as well as the Company's liquidity management. The Company manages liquidity risk maintaining an adequate level of reserves, financial facilities and loans, monitoring on an ongoing basis projected cash flows against actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

14.1.8. Interest Rate Risk and Liquidity

Risk Table

The following table details the maturities of the Company's financial liabilities as from the closing of the reporting year. The amounts disclosed in the table are the undiscounted contractual cash flows.

	Long-Term Debt	Accounts Payable and Other Liabilities	Total as of December 31, 2012
Without any established term	212,382	3,511,136	3,723,518
To fall due			
Up to three months	-	8,679,340	8,679,340
- More than three months and up to six months	44,727,271	14,308,174	59,035,445
More than nine months and up to twelve months	17,144,826	-	17,144,826
	62,084,479	26,498,650	88,583,129

14.1.9. 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 year:

	December 31, 2012	Other Significant Observable Items (Level 2)
Assets		
Current Investments	7.170.245	7.170.245

	December 31, 2011	Other Significant Observable Items (Level 2)
Assets		
Current Investments	29,365,968	29,365,968

Financial assets are valued using the prices of similar instruments obtained from information sources available in the market (Level 2). As of December 31, 2012 and 2011, Grupo Clarín did not have any asset or liability valued using the quoted prices for identical assets and liabilities (Level 1), or assets or liabilities for which a comparison had not been conducted against observable market data to determine their fair value (Level 3).

14.1.10. Fair Value of Financial Instruments

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

As of December 31, 2012, the Company does not have long-term financial liabilities.

Note 15

Covenants, Sureties and Guarantees provided

- a. In July 2009, the Company executed an agreement securing payment of GCSA Investments' obligations under its loan, as detailed in Note 5.12.4 to consolidated financial statements.
- b. In October 2011, the Company executed agreements securing the payment of certain financing transactions of one of its subsidiaries in the amount of USD 2.9 million, effective from October 2011 to October 2013.
- c. On September 25, 2012, GCGC executed a mortgage agreement on a building of its property securing the payment of the obligations under the loan with Banco de la Ciudad de Buenos Aires mentioned in Note 5.12.3 to the consolidated financial statements. Grupo Clarín acts as guarantor of said financing.
- d. On October 12, 2012, the Company executed an agreement securing the payment of the obligations under a loan taken by GCGC with Standard Bank Argentina mentioned in Note 5.12.3 to the consolidated financial statements.

Note 16

Changes in the Company's Interests

- a. In April 2008, AGEA assigned to the Company 54.5% of its rights and obligations derived from the call option described in Note 16.b. On that date, the Company exercised such call option, acquiring shares that accounted for 27.3% of CIMECO's capital stock.
- b. During 2007, AGEA increased its interest in CIMECO from 33.3% to 50.0%, and executed call and put options on an additional interest in CIMECO's capital stock. During 2008, AGEA partially assigned the rights and obligations arising from such options to its subsidiary AGR and to the Company. Subsequently, in 2008, AGEA, AGR and the Company exercised such call option, increasing, directly and indirectly, the Company's equity interest in CIMECO and Papel Prensa to 100% and 49%, respectively.
- On April 10, 2008, the Company and the parties to the above-mentioned transaction notified CNDC of such transaction and on May 12, 2008 filed form F-1. After such notice and as of the date of these financial statements, the Company submitted additional information requested by the CNDC. As of the date of these financial statements, the above transaction is subject to administrative approvals.
- c. On January 11, 2008, IESA acquired the controlling interest of a group of companies mainly engaged in sports journalism, production and commercialization of shows, and the production of motor racing television broadcasting. The share purchase agreement sets forth certain objectives to be met by such group of companies. In case of breach of such provision, the sellers shall have to pay an indemnification. These transactions are subject to administrative approvals.
- d. On September 2, 2008, ARTEAR increased its equity interest in Pol-Ka and SB Producciones S.A. to 55% of such companies' capital stock and votes, thus acquiring a controlling interest in both companies, in which it previously exercised common control. These transactions are subject to administrative approvals.
- e. On February 10, 2011, CMD sold to a third party all of its shares of Dinero Mail, for approximately USD 4.4 million in cash; part of the price was withheld as guarantee.
- f. On August 17, 2011, CMD executed a stock purchase agreement, whereby it increased by 20% its interest in Interpatagonia S.A., where it now holds 80% of the capital stock. CMD paid approximately Ps. 4.3 million in consideration for the shares.
- g. On October 3, 2011 the Company's subsidiary AGR acquired 65.46% of the capital stock and votes of Cúspide Libros S.A. and 2.40% of the capital stock and votes of Librerías Fausto S.A.C.E.I. (controlled by Cúspide Libros S.A.). The transaction amounted to USD 2.8 million and Ps. 3.8 million.
- h. On July 15, 2012, subject to the fulfillment of certain conditions precedent, each of Cablevisión's Paraguayan subsidiaries (Cable Visión Comunicaciones S.A., Televisión Dirigida S.A., Consorcio Multipunto Multicanal

S.A. and Producciones Unicanal S.A.) entered into an agreement with a Paraguayan company, whereby they agreed to assign most of their assets and operations. Such conditions precedent were fulfilled on October 1, 2012 and the agreed-upon assignment was executed for a total consideration of USD 142.4 million. Out of that amount, USD 6.7 million was held in escrow. As a result of that operation, Cablevisión obtained a net consolidated gain after taxes of approximately Ps. 444 million, which, taking into consideration the Company's equity interest in Cablevisión, accounts for a gain of approximately Ps. 180 million after taxes.

Cablevisión S.A. had a 70% interest in such subsidiaries and the remaining 30% was held by minority shareholders. On October 1, 2012 the minority shareholders transferred their equity interests to the majority group for a total consideration of USD 31.5 million.

On October 1, 2012, Cablevisión sold its equity interest in Teledeportes Paraguay S.A. for approximately USD 6.8 million. Out of that amount, USD 0.2 million was held in escrow.

Note 17

Law No. 26,831 Capital Markets

On December 28, 2012 Capital Markets Law No. 26,831 (the "Law"), which was 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, regulated until that date by Law No. 17,811, enhancing, among others, the National Government's monitoring powers, as well as changing the authorization, control and monitoring 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.

Notwithstanding the foregoing, given that as of the date of these financial statements the CNV had not yet regulated the Law, on January 21, 2013 that agency issued Resolution No. 615 whereby it provided that until the respective regulations are issued, the relevant CNV rules continue to apply (as amended in 2001).

Note 18

Subsequent Events

In re "Grupo Clarín S.A. and Other v. Executive Branch on Declaratory Action" (File 119/10), mentioned in Note 11, on January 25, 2013 the Company, the National Government and AFSCA, which is also a party to this case, submitted the brief with the grievances caused by the decision rendered in the First Instance, expressing the grounds of their appeal pursuant to applicable law.

The parties were served with those grounds for them to refute them by February 13, 2013. As from that date, the file has been pending before Chamber No. 1 of the Court of Appeals, which shall render a decision on the appeal.

Note 19

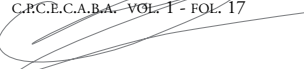
Approval of Parent Company Only Financial Statements

The Board of Directors has approved the parent company only financial statements and authorized their issue for March 8, 2013.

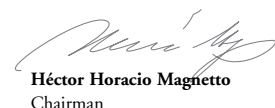


Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

Signed for identification purposes
with the report dated March 08, 2013
Price Waterhouse & Co. S.R.L.
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17



Dr. Carlos A. Pace (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106



Héctor Horacio Magnetto
Chairman

**Additional Information
to the Notes to the
Financial Statements -
Section No. 68 of
the Regulations issued
by the Buenos Aires
Stock Exchange**

Balance Sheet as of
December 31, 2012

1) There are no specific material regulatory regimes currently applicable to the Company that may entail the contingent loss or acquisition of legal benefits.

2) As mentioned in Note 16.a) to the parent company only financial statements, during 2008 the Company carried out transactions that resulted in the acquisition of an equity interest in CIMECO.

3) The classification of receivables and liabilities by maturity is detailed in Note 9 to the parent company only financial statements.

4) The classification of receivables and liabilities according to their related financial effects is detailed in Note 9 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 8 to the parent company only financial statements. The following table summarizes the breakdown of such accounts payable and receivable as per the above points 3) and 4).

	Receivables	Liabilities
Without any established term	(1) 22,994,617	(1) 1,628,021
To fall due		
- From three to six months	-	(2) 44,727,271
- From nine to twelve months	-	(2) 17,144,825
Total	22,994,617	63,500,117

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

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

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 fiscal year.

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).

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 December 31, 2012, 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 Note 11 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

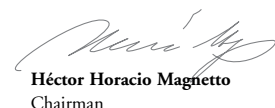
18) In Notes 7.a. and 10.2.a) to the parent company only financial statements reference is made to the treatment given to retained earnings.



Carlos Alberto Pedro Di Candia
Chairman of the Supervisory Committee

Signed for identification purposes
with the report dated March 08, 2013
Price Waterhouse & Co. S.R.L.
C.P.C.E.C.A.B.A. VOL. 17 - FOL. 17

Dr. Carlos A. Pace (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. VOL. 150 - FOL. 106



Héctor Horacio Magnetto
Chairman

Report of Independent Accountants

Free translation from
the original
prepared in Spanish

**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

1. We have audited the attached parent company only financial statements of Grupo Clarín S.A. which comprise the parent company only balance sheet at December 31, 2012, the parent company only statements of comprehensive income, the parent company only statements of changes in equity and of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The balances and other information for the fiscal year 2011 are an integral part of the above-mentioned audited financial statements, so they are to be considered in the light of those financial statements.

2. The Board of Directors is responsible for the reasonable preparation and presentation of these parent company only financial statements in accordance with Professional Accounting Standards of Technical Resolution No. 26 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE, for its Spanish acronym) incorporated by the Argentine Securities Commission (CNV, for its Spanish acronym) to its regulations. These rules differ from International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and used in the preparation of consolidated financial statements of Grupo Clarín S.A. with its controlled subsidiaries, in the aspects mentioned in Note 2.1 to the attached parent company only financial statements. Further, the Board of Directors is responsible for the internal control it may deem necessary to enable preparing parent company only financial statements free of material misstatements caused by errors or irregularities. Our responsibility is to express an opinion on the parent company only financial statements based on the audit we performed with the scope detailed in paragraph 3..

3. We conducted our audit in accordance with auditing standards in effect in Argentina. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the parent company only financial statements are free of material misstatements and to form an opinion on the reasonableness of the relevant information contained in the parent company only financial statements. An audit includes examining, on a selective test basis, evidence supporting the amounts and disclosures in the parent company only financial statements. An audit also includes assessing the accounting standards used and

significant estimates made by the Company, as well as evaluating the overall presentation of the parent company only financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. On October 10, 2009, Audiovisual Communication Services Law No. 26,522 (the "Law") was enacted which repeals Broadcasting Law No. 22,285 which regulate the principal activities of the Company and some of its subsidiaries.

As mentioned in Notes 11 and 18 to the parent company only financial statements, the Company and certain subsidiaries are analyzing the possible consequences that could be derived from the change of regulatory framework on their business, and as indicated in the same Notes, is bringing and will bring all legal actions corresponding to each instance to safeguard its rights and those of its shareholders.

Accordingly, there is uncertainty as to the effect that this change in the regulatory framework and the outcome of the legal actions being brought by the Company could have on the activities of the economic group and, therefore, on its parent company only financial statements taken as a whole.

5. As mentioned in Notes 10.1.b., 10.1.c., 10.1.d. and 10.1.e. to the parent company only financial statements, since September 2009, the Federal Broadcasting Committee, the National Antitrust Commission, the Secretariat of Domestic Trade ("SCI", for its Spanish acronym), Argentine Secretariat of Communications and the Ministry of Economy and Public Finance have issued several resolutions on matters related to: (i) several aspects related to the acquisition of Cablevisión S.A., Multicanal S.A. and other companies, and their subsequent merger, and (ii) the revocation of the license that had been originally granted to FIBERTEL S.A. In addition, as indicated in Note 10.1.f. to the parent company only financial statements, the subsidiary Cablevisión was served with a preliminary injunction granted to a third party ordering the separation of the assets, liabilities and businesses that used to belong to Multicanal and that were subsequently merged into Cablevisión and the appointment of a court-appointed supervisor (interventor) and co-administrator. As indicated in the above-mentioned Notes, the subsidiary Cablevisión has brought legal actions as it considered appropriate.

Accordingly, there is uncertainty regarding the effect that the final outcome of these situations could have on the activities of Cablevisión S.A. and, therefore, on the recoverability of the investment that owns Grupo Clarín S.A. over that company through its

subsidiaries Southtel Holdings S.A., Vistone S.A., VLG Argentina L.L.C., CV B Holding S.A. and Compañía Latinoamericana de Cable S.A.

6. As mentioned in Note 10.1.a. to the parent company only financial statements, on March 3, 2010 the Secretariat of Domestic Trade ("SCI") issued Resolution 50/10 establishing the formula for calculation of the monthly subscription price to be paid by the users of pay-television services. As indicated in the same Note, on March 10, 2011 SCI Resolution No. 36/11 was published in the Official Gazette establishing the parameters to be applied to the services rendered by Cablevisión, having been extended on several occasions the effectiveness of Resolution No. 36/11 until March 2013. As indicated in this Note, Cablevisión filed the corresponding administrative claims and will bring the necessary legal actions requesting a stay of its effects and ultimately its nullity.

Accordingly, there is uncertainty regarding the effect that the final outcome of the situation could have on the subsidiary Cablevisión and its subsidiaries' business and, therefore, on the recoverability of the investment that owns Grupo Clarín S.A. over that companies through its subsidiaries Southtel Holdings S.A., Vistone S.A., VLG Argentina L.L.C., CV B Holding S.A. and Compañía Latinoamericana de Cable S.A.

7. In our opinion, subject to the possible effect on the parent company only financial statements of any potential adjustments and/or reclassifications, if applicable, that may be required as a result of the resolution of the uncertainties described in paragraphs 4, 5, and 6, the parent company only financial statements mentioned in paragraph 1 present fairly, in all material respects, the parent company only financial position of Grupo Clarín S.A. as of December 31, 2012 and the parent company only comprehensive income and parent company only cash flows for the fiscal year then ended, in accordance with the rules of Technical Resolution No. 26 of the Argentine Federation of Professional Councils in Economic Sciences for the parent company only financial statements of a controlling entity.

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

a) The parent company only financial statements of Grupo Clarín S.A. have been transcribed to the "Inventory and Balance Sheet" book and comply with the Corporations Law and pertinent resolutions of the Argentine Securities Commission, as regards those matters within our competence;

b) The parent company only financial statements of Grupo Clarín S.A. arise from accounting records kept in all formal respects in conformity with legal provisions which maintain the security and integrity conditions based on which they were authorized by the Argentine Securities Commission;

c) We have read the additional information to the Notes to the parent company only financial statements required by section 68 of the listing regulations of the Buenos Aires Stock Exchange, on which, as regards those matters that are within our competence, we have no observations to make other than those already stated in paragraphs 4., 5. and 6.;

d) At December 31, 2012 the debt accrued in favor of the (Argentine) Integrated Social Security System according to the Company's accounting records and calculations amounted to \$1.416.749, none of which was claimable at that date;

e) In accordance with section 4 of General Resolution No. 400 issued by the Argentine Securities Commission, amending section 18 subsection e) of the title III.9.1 of the Rules of such Commission, we inform that the total of fees for the audit and related services invoiced to the Company for the year ended December 31, 2012 represents:

e.1) 87% on the total fees for services invoiced to the Company for all concepts in that year;
e.2) 14% on the total fees for audit and related services invoiced to the Company, its parent companies, subsidiaries and affiliates in that year;
e.3) 14% on the total fees for services invoiced to the Company, its parent companies, subsidiaries and affiliates for all concepts in that year.

f) We have applied the procedures on prevention of asset laundering and terrorism funding set forth in the relevant professional rules issued by the Professional Council for Economic Sciences of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires,
March 8, 2013

Price Waterhouse & Co. S.R.L.



Dr. Carlos A. Pace (Partner)

**To the Shareholders of:
Grupo Clarín S.A.
TAX ID No. 30-70700173-5
Registered office: Piedras 1743
City of Buenos Aires**

In our capacity as members of Grupo Clarín S.A.'s Supervisory Committee and pursuant to subsection 5, section 294, of the Argentine Business Associations Law No. 19,550, the regulations of the Argentine Securities Commission (CNV, for its Spanish acronym) and the Regulations issued by the Buenos Aires Stock Exchange, we have performed a review of the documents mentioned in Section I below, within the scope set forth in Section II below. The preparation and issuance of the documents referred to above are the responsibility of the Company's Board of Directors, in exercise of its exclusive duties. Our responsibility is to issue a report on such documents, based on the work performed within the scope set forth in Section II.

I. DOCUMENTS SUBJECT TO REVIEW

- a) Parent Company Only Balance Sheet as of December 31, 2012 disclosed in the Parent Company Only Financial Statements as of December 31, 2012.
- b) Parent Company Only Statement of Comprehensive Income disclosed in the Parent Company Only Financial Statements as of December 31, 2012.
- c) Parent Company Only Statement of Changes in Equity disclosed in the Parent Company Only Financial Statements as of December 31, 2012.
- d) Parent Company Only Statement of Cash Flows disclosed in the Parent Company Only Financial Statements as of December 31, 2012.
- e) Notes 1 to 18 disclosed in the Parent Company Only Financial Statements as of December 31, 2012.
- f) The Consolidated Financial Statements of Grupo Clarín S.A. and its subsidiaries comprising the Consolidated Balance Sheet as of December 31, 2012, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, together with the corresponding notes 1 through 25.

II. SCOPE OF THE REVIEW

We conducted our review in accordance with effective statutory auditing standards established by the Argentine Business Associations Law (Law

No. 19,550), as amended, and by Technical Resolution No. 15 issued by the Federación Argentina de Consejos Profesionales de Ciencias Económicas (Argentine Federation of Professional Councils of Economic Sciences, FACPCE, for its Spanish acronym).

Said standards require that the review of the documents set forth in I. be conducted in accordance with effective auditing standards for the review of financial statements; that the documents be checked for consistency with the information on corporate decisions stated in minutes and that such 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 Section I., we have reviewed the work performed by the external auditor Carlos A. Pace, a partner of Price Waterhouse & Co. S.R.L., who issued his reports on March 8, 2013, pursuant to the effective auditing standards for the audit of financial statements.

An audit requires that the auditors plan and perform their work for the purposes of obtaining reasonable assurance about whether the financial statements are free from material misstatement or significant errors. An audit comprises examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the accounting principles used and significant estimates made by the Company's Management, as well as evaluating the overall presentation of the financial statements. Since the Supervisory Committee is not responsible for management control; the review did not extend to the business criteria and decisions from the Company's different areas as these matters are the exclusive responsibility of the Board of Directors.

The Company's Board of Directors is responsible for the preparation and fair presentation of: (i) the Parent Company Only Financial Statements in accordance with the professional accounting standards established by Technical Resolution No. 26 issued by the FACPCE incorporated by the CNV to its regulations. Such standards differ from the International Financial Reporting Standards (IFRS) approved by the International Accounting Standards Board (IASB) and used in the preparation of the consolidated financial statements of Grupo Clarín S.A. and its subsidiaries in the aspects mentioned in Note 2.1 to the Parent Company Only Financial

Statements. Additionally, the Board of Directors is responsible for an adequate internal control as deemed necessary so that the parent company only financial statements are free from material misstatements arising from errors or irregularities; (ii) the consolidated financial statements in accordance with IFRS adopted as professional accounting standards in Argentina by the FACPCE and incorporated by the CNV to its regulations, as approved by the IASB. The Board of Directors is also responsible for an adequate internal control as deemed necessary so that the consolidated financial statements are free from material misstatements arising from errors or irregularities.

Our responsibility is to express our opinion on the consolidated and parent company only financial statements, based on the scope mentioned in this section.

III. PRIOR COMMENTS

1. On October 10, 2009, Audiovisual Communication Services Law No. 26,522 (the “Law”) was enacted which repeals Broadcasting Law No. 22,285, which governs the main activities carried out by the Company and some of its subsidiaries.

As mentioned in Notes 11 and 18 to the parent company only financial statements and in Notes 9 and 25 to the consolidated financial statements, the Company and certain subsidiaries are analyzing the possible impact of this change in the regulatory framework on their business, and, as indicated in such notes, legal actions are being and will be brought at each instance to safeguard its rights and those of its shareholders.

Accordingly, there is uncertainty as to the effect that this change in the regulatory framework and the outcome of the legal actions being brought by the Company could have on the activities of the economic group and, therefore, on these parent company only financial statements and consolidated financial statements taken as a whole.

2. As mentioned in Notes 10.1.b., 10.1.c., 10.1.d. and 10.1.e. to the parent company only financial statements and in Notes 8.1.b., 8.1.c., 8.1.d. and 8.1.e. to the consolidated financial statements, since September 2009, the Federal Broadcasting Committee, the National Antitrust Commission, the Secretariat of Domestic Trade (“SCI”, for its Spanish acronym), the Argentine

Secretariat of Communications and the Ministry of Economy and Public Finance have issued several resolutions on matters related to:

(i) several aspects related to the acquisition of Cablevisión S.A., Multicanal S.A. and other companies, and their subsequent merger, and (ii) the revocation of the License that had been originally granted to FIBERTEL S.A. In addition, as indicated in Note 10.1.f. to the parent company only financial statements and in Note 8.1.f. to the consolidated financial statements, the subsidiary Cablevisión was served with a preliminary injunction granted to a third party ordering the separation of the assets, liabilities and businesses that used to belong to Multicanal and that were subsequently merged into Cablevisión and the appointment of a court-appointed supervisor (interventor) and co-administrator. As mentioned in the above-mentioned notes, the subsidiary Cablevisión has brought legal actions as it considered appropriate.

Accordingly, there is uncertainty as to the effect that the final outcome of these situations could have on the activities of: (i) Cablevisión and, therefore, on the recoverability of Grupo Clarín S.A.’s investment in such company through its subsidiaries Southtel Holdings S.A., Vistone S.A., VLG Argentina L.L.C., CV B Holding S.A. and Compañía Latinoamericana de Cable S.A. in the parent company only financial statements and (ii) the subsidiary Cablevisión and, therefore, on the consolidated financial statements taken as a whole.

3. As mentioned in Note 10.1.a. to the parent company only financial statements and in Note 8.1.a. to the consolidated financial statements, on March 3, 2010 the SCI issued Resolution No. 50/10 establishing a formula for the calculation of the monthly subscription price to be paid by the users of pay-television services. Subsequently, as mentioned in the same notes, on March 10, 2011, SCI Resolution No. 36/11 was published in the Official Gazette establishing the parameters to be applied to the services rendered by Cablevisión. The effectiveness of such Resolution No. 36/11 has been extended several times up to and including March 2013. As indicated in those notes, the subsidiary Cablevisión has filed the pertinent administrative claims and will bring legal actions requesting a stay of its effects and ultimately its nullity.

Accordingly, there is uncertainty as to the effect that the final outcome of this situation could

have on the activities of: (i) Cablevisión and its subsidiaries and, therefore, on the recoverability of Grupo Clarín S.A.'s investment in such companies through its subsidiaries Southtel Holdings S.A., Vistone S.A., VLG Argentina L.L.C., CV B Holding S.A. and Compañía Latinoamericana de Cable S.A. in the parent company only financial statements and (ii) the subsidiary Cablevisión and its subsidiaries and, therefore, on the recoverability of their assets in the consolidated financial statements.

IV. SUPERVISORY COMMITTEE'S OPINION

In our opinion, based on our work, within the review scope described in Section II. of this report:

(i) subject to the effect on the parent company only financial statements of eventual adjustments and/or reclassifications, if any, that may be required as a result of the resolution of the uncertainties described in paragraphs 1., 2. and 3. of Section III., the parent company only financial statements mentioned in Section I., present fairly, in all material respects, the parent company only financial position of Grupo Clarín S.A. as of December 31, 2012, and the results disclosed in the Parent Company Only Statements of Comprehensive Income and Cash Flows for the year then ended in accordance with the rules of Technical Resolution No. 26 of the FACPCE for parent company only financial statements of a controlling entity;

(ii) subject to the effect on the consolidated financial statements of eventual adjustments and/or reclassifications, if any, that may be required as a result of the resolution of the uncertainties described in paragraphs 1., 2. and 3. of Section III., present fairly, in all material respects, the consolidated financial position of Grupo Clarín S.A. and its subsidiaries as of December 31, 2012, and the results disclosed in the Consolidated Statements of Comprehensive Income and Cash Flows for the year then ended in accordance with the International Financial Reporting Standards;

V. IN COMPLIANCE WITH EFFECTIVE REGULATIONS, WE HEREBY REPORT THAT:

a) The financial statements mentioned in Section I. have been recorded in the "Inventory and Balance Sheet" leg book and arise from the

Company's accounting records kept, in all formal aspects, in accordance with effective legislation.

b) We have reviewed the Inventory and the Board of Directors' Annual Report for the year ended December 31, 2012. In this regard, within the scope of our competence, we have no observations to make. The representations about future events included in the Annual Report are the Board of Directors' exclusive responsibility.

c) Furthermore, we report that in exercise of the legality control within our field of competence, during the year ended December 31, 2012 we have applied the procedures set forth in Section 294 of Argentine Business Associations Law No. 19,550, as deemed necessary based on the circumstances and we have no observations to make in that regard.

d) We have reviewed the information included in the Exhibit to the Annual Report about the degree of compliance with the Code of Corporate Governance required by CNV General Resolution No. 606/12 and we have no observations to make in that regard.

e) As required by CNV regulations, regarding the independence of the external auditors and the quality of the audit policies applied by them and the accounting policies applied by the Company, the above-mentioned external auditor's report includes the representation concerning the application of the auditing standards effective in Argentina which provide for independence requirements, and was issued without qualifications as to the application of such regulations or discrepancies as to the professional accounting standards.

f) We have applied the asset laundering and terrorist financing crimes prevention procedures provided under the professional standards issued by Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (Professional Council in Economic Sciences of the City of Buenos Aires).

City of Buenos Aires,
March 8, 2013



Carlos Alberto Pedro Di Candia
Chairman

Grupo Clarín S.A.
Piedras 1743
C1140ABK Ciudad de Buenos Aires
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