

#### 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, 2015 and 2014, which was extracted from the Consolidated and the Parent Only Financial Statements as of December 31, 2015, 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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# 2015

## 27,791.5

Net Sales 2015

### FINANCIAL HIGHLIGHTS

(in million of ps.)

|                                       | 2015     | 2014     | YOY    |
|---------------------------------------|----------|----------|--------|
| Net Sales                             | 27,791.5 | 19,709.6 | 41.0%  |
| Adjusted EBITDA <sup>(1)</sup>        | 8,360.8  | 5,039.6  | 65.9%  |
| Adjusted EBITDA Margin <sup>(2)</sup> | 30.1%    | 25.6%    | 17.7%  |
| Income for the period                 | 2,915.9  | 1,345.5  | 116.7% |

(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.

3,532.6

Total consolidated  
Subscribers 2015

## OPERATING RESULTS

| (in thousands)                                   | 2015    | 2014    | YOY    |
|--------------------------------------------------|---------|---------|--------|
| Total Consolidated Subscribers <sup>(1)(3)</sup> | 3,532.6 | 3,491.1 | 1.2%   |
| Total Internet Subscribers <sup>(1)</sup>        | 2,025.9 | 1,837.7 | 10.2%  |
| Circulation <sup>(1)</sup>                       | 261.7   | 276.5   | (5.3%) |
| Audience Share % <sup>(2)</sup>                  |         |         |        |
| Prime Time                                       | 37.3%   | 33.3%   | 12.2%  |
| Total Time                                       | 30.4%   | 26.7%   | 13.8%  |

(1) Figures in thousands.

(2) Share of broadcast TV audience according to IBOPE for AMBA. Prime Time 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.

8,360.8

Total EBITDA 2015

## ADJUSTED EBITDA

| (in million of ps.)          | 2015    | 2014    | YOY    |
|------------------------------|---------|---------|--------|
| Cable TV and Internet access | 7,294.7 | 4,693.7 | 55.4%  |
| Printing and Publishing      | 112.6   | (136.7) | 182.3% |
| Broadcasting and Programming | 952.3   | 495.5   | 92.2%  |
| Digital Content and Others   | 1.3     | (13.0)  | 109.9% |
| Subtotal                     | 8,360.8 | 5,039.6 | 65.9%  |
| Eliminations                 | -       | -       | NA     |
| Total                        | 8,360.8 | 5,039.6 | 65.9%  |

## 2015 MACROECONOMIC ENVIRONMENT

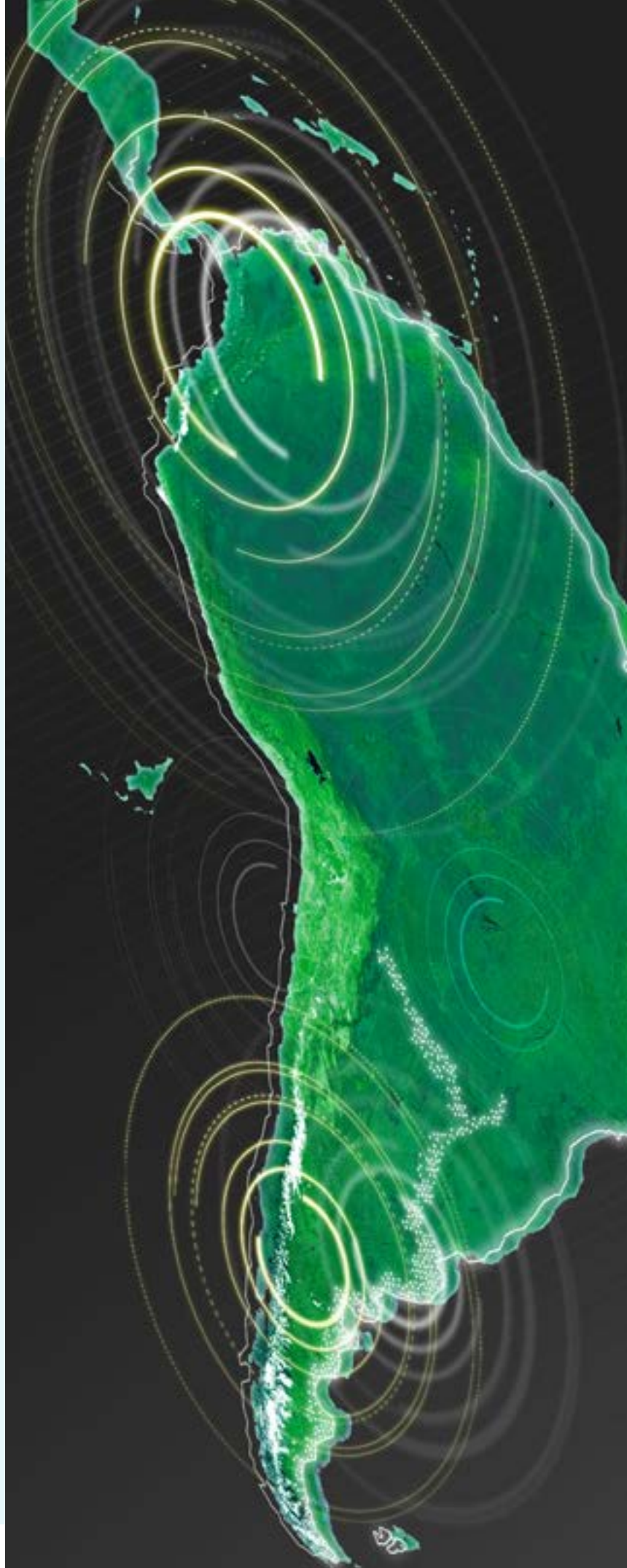
In 2015, the world economy grew by slightly more than 3.0%, at a lower rate than in 2014, and also lower than the original forecasts made by the International Monetary Fund. From an historical perspective, this growth rate has been the lowest since 2010.

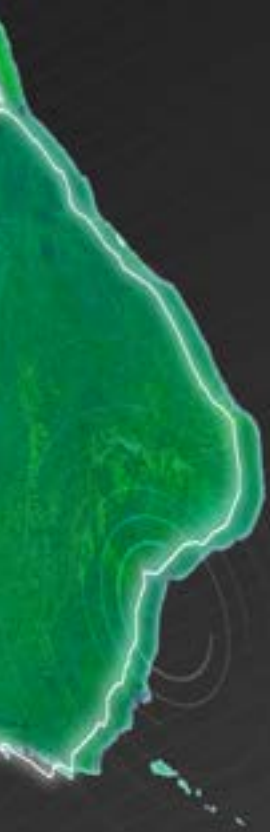
The deceleration registered by emerging economies as a whole (heavily influenced by China's slowdown and the severe recessions of major countries such as Russia, Brazil and Venezuela) could not be offset by the better performance, though relatively significant, of developed countries.

In fact, even though emerging economies as a whole once again registered above-average growth, they grew at the lowest rate of the last five years (approximately 4.0%). Growth in developed countries (+1.9%), though slightly higher compared to 2014, did not offset the slowdown registered by emerging countries and undermined the growth rate of the world economy.

Of particular note to emerging economies is the sharp slowdown registered by Latin-American economies. As a result of the decline in the value of export from this group of countries that was caused by the drop in commodity prices, the regional GDP has dipped into negative territory for the first time since 2009.

For the Argentine economy, the above-mentioned external scenario further limited the existing scarcity of room for maneuver in economic policy that resulted from the macroeconomic imbalances brewed in the last years. The delicate external scenario was reflected in Argentina mainly through a further contraction in exports, even sharper than in 2014. During 2015, export values decreased by 17% year-on-year, an aggregate contraction of USD 16 billion. It should be noted that compared to the record high registered in 2011, Argentine exports have since then dropped by more than





USD 27.0 billion. During the year, the adjustment of imports mitigated this decrease only in part, creating a trade balance deficit (of USD 3.0 billion) for the first time since 2000.

In terms of economic policy, many commodity-exporting emerging countries in general depreciated their currencies in real terms in order to mitigate the effects of this negative external shock. In contrast, and faced with the needs of an election year, the National Government focused its expansionary economic policy on depreciating the Argentine peso against the US dollar at a lower rate than inflation (in a context of general appreciation of the US dollar against other currencies), furthering the delay in the adjustment of the tariffs of certain utilities and accelerating the fiscal impulse with an emphasis on public spending.

As a result of this unsustainable strategy, inflation rates (surveyed by Ecolatina) decreased over eleven months, from almost 36% at the end of 2014 to 25% in November. Both GDP and private consumption registered a slight recovery from the downturn experienced during 2014. However, the Government achieved those figures at the expense of further deepening other key imbalances. The Government's decision to delay the adjustment of the Ps./USD exchange rate did not generate a higher demand for imported goods due to the restrictions imposed on the domestic market, but exacerbated the private sector's demand for foreign currency for savings, international travel and tourism. Due to the foregoing and to other factors such as the meager trade balance surplus and the larger interest payments on the country's sovereign debt, the level of Central Bank reserves decreased significantly throughout the year, reaching approximately USD 25.0 billion at the end of Cristina Fernández de Kirchner's Administration (almost USD 6.5 billion below the level registered at the end of 2014).

The state of the national public accounts, which have been deteriorating uninterruptedly since 2005, worsened considerably. In fact, during the year, the national primary deficit (without counting remittances from the National Social Security Administration - "ANSES", for its Spanish acronym - and the Central Bank) rose to approximately 5.8% of GDP (approximately 7% of GDP if payments of interest on the country's sovereign debt are considered), well above the figure for 2014. This figure is a record high since 2003, both in absolute and in relative terms, in spite of the unprecedented tax pressure.

The above-mentioned fiscal imbalance was mainly financed with the printing of currency. In 2015, the Central Bank issued a record high of approximately Ps. 180.0 billion in order to aid the National Treasury. Said financing in local currency was coupled with the aid to the National Treasury in foreign currency for more than USD 10.0 billion, which were used to honor interest payments on the country's sovereign debt. By the end of November, the National Treasury's debt with the Central Bank stood at approximately USD 65.0 billion.

According to the last figures registered in September, the country's performing sovereign debt (it is worth mentioning that these figures do not consider the debt that was not included in the exchange offers and the contingent debt from the coupons of GDP-linked bonds) increased to USD 240.0 billion (43.7% of GDP). Therefore, the sovereign debt once again registered an increase both in absolute and in relative terms (with respect to GDP), as has been the case since 2012. The distinctive feature of the last few years on this front has been the growing prominence of public sector agencies (mainly the BCRA and ANSES), which are currently the main creditors of the country's sovereign debt. As of the above-mentioned date, more than 60% of the country's sovereign debt is held by these public agencies.

## PERSPECTIVES FOR THE UPCOMING YEAR

The outcome of the presidential elections that took place on November 22 opened up a new political cycle after 12 years of the Kirchner administration. The new administration has inherited a stagnant economy on several fronts, with a marked shortage of investments and high-inflation levels carried over from previous years, mainly as a consequence of the significant delay in the adjustment of the Ps./USD exchange rate brewed in the last years and the serious imbalance in the country's public accounts.

To the above, we must add the capital depletion of the Central Bank and of strategic sectors, such as the energy sector, and the meddling with government statistics, which make it imperative that an audit be conducted in order to obtain a proper diagnosis of the socio-economic situation.

Given the need to generate foreign currency, one of the first economic policy measures implemented by the new administration was the elimination of export taxes on agricultural goods (with the only exception of soybeans, where the tax rate was reduced from 35% to 30%).

In addition, the Government implemented several measures aimed at recapitalizing the Central Bank's reserves, and raised the imputed interest rates of the Central Bank Bills (LEBACs).

Once these measures were implemented, the Government moved forward with the unification of the exchange rate and the elimination of the restrictions on the purchase of foreign currency by individuals and/or legal entities (maintaining only the limit of USD 2.0 billion/month). The free float of the Ps./USD exchange rate turned out to be in the last days of December less traumatic than expected, reaching a first equilibrium under the revised interest rates and without the intervention of the monetary authority of approximately Ps./USD 13.0 (24% nominal depreciation against the Ps./USD 9.83 exchange rate prevailing before the unification). As of the date of this Annual Report, it is worth noting that the Ps./USD exchange rate stands at approximately Ps./USD 15.0.

The recently announced fiscal program and inflation targets for the 2016-2019 period provide for paths of gradual unwinding of the inherited fiscal imbalance and reduction of inflation levels. For 2016 in particular, it projects a primary fiscal deficit of 4.8% of the GDP (one percentage point below the level registered in 2015) and lower inflation rates ranging from 20% to 25%.

Achieving the fiscal target is key to reducing fiscal dominance over monetary policy and, hence, to putting the Central Bank's focus on the achievement of the inflation target. In this sense, one of the challenges the Government will have to face during the first months of 2016 in order to reach the above-mentioned target is curbing the impact on prices as a result of the unification of the exchange rate, minimizing the use of exchange rate policies to such end. Argentine history shows that the abrupt implementation of exchange rate corrections has inflationary and recessive effects in the short term higher than those verified in other countries of the region, and if they are not mitigated, they may end up eroding sooner rather than later the competitive edge that was originally sought.

The foregoing is a broad summary of the complex scenario the Argentine economy will have to face on the domestic front during 2016. In addition, the Argentine economy will also have to face exogenous challenges, such as the renewed downward pressure on the price of agricultural commodities and the projected continuity of both the severe recession in Brazil and the gradual slowdown of the Chinese economy (both of them are Argentina's main trading partners).

In summary, the normalization of the economy poses a huge challenge. The restoration and maintenance of the fundamental macroeconomic balances are necessary steps for the Argentine economy to be able to establish a sustained growth path and resume with the agenda to reach the long-awaited and up to now elusive higher stage of development.

## THE YEAR 2015 AND THE MEDIA SECTOR IN ARGENTINA AND THE WORLD

During 2015, the performance of the global media and entertainment sector maintained the evolution registered in previous years, according to the 2015-2019 Global Entertainment and Media Outlook recently published by Price Waterhouse & Co. The report analyses the current situation of the main segments of the sector in 54 countries and makes five-year forecasts. This sector's consolidated revenues closed the year under analysis with a rise similar to the one recorded in 2014 (approximately 5%), which was greater than worldwide GDP growth (approximately 3% according to the IMF and the World Bank). The figures corresponding to the sources of revenue were heterogeneous, based on the varied sizes and the degree of maturity of each of the markets under analysis.

The Latin American region in particular registered above-average growth, though lower than in previous years. The key pillar of this performance lies in the growth of the middle class in the large majority of the countries of the region, which adds new consumers to the media sector. The Río 2016 Olympic Games may have an impact on the region in general and on Brazil in particular.

During the period under analysis and after years of technological disruption, the minds of consumers do not perceive significant differences between digital and traditional technology, which ultimately all represent a broader offering of media, platforms and contents, thus generating greater diversity. Companies no longer consider the interaction between both ecosystems a zero-sum game and have started to combine them to attain new goals.

The increased consumption of digital media once again stood in the evolution revenues of this sector. The businesses related to the digital ecosystem continued to increase at a rate that was significantly above average. Consequently, consolidated digital revenues currently account for slightly over 25% of the aggregate global advertising pie, the second largest share after broadcast TV, followed by print media advertising. PWC estimates that over the course of the next five years, consolidated digital revenues will represent the main source of advertising revenues mainly driven by mobile advertising.

The recurring emergence of new technologies continues to transform society and to provide



a great opportunity both to digitally native companies and to traditional companies, which gradually continue to adapt to new media consumption patterns. This great opportunity entails huge challenges: those media companies that are able to provide services and contents with the best combination of user experience, quality, access flexibility and customized contents and an intuitive interaction with social networks will have the greatest growth potential in the future.

Internet users have grown accustomed to having immediate access to contents. The free access to contents has compromised the sustainability of various business models. In the last years some companies have been able to build an audience that is willing to pay for certain products. Even though this model is difficult to implement, it sets one of the paths to follow in the future. To such end, it is important to know and recognize consumers more effectively by using new technologies, databases and digital metrics.

Another relevant factor observed in the last years is the strong growth of the revenues generated by video-based businesses. Internet access from smartphones is expected to grow, providing an opportunity to those companies that have an intuitive interface to generate, distribute and share videos. Social networks will play a key role in the distribution process.

Advertising, one of the main sources of revenues for media companies, is seeking a new balance between traditional and digital technology. The combinations between both ecosystems generate new opportunities for advertisers. In this context, it is worth noting the strong growth of advertising investment in mobile devices and digital video. In addition, both the automated sale of (programmatic) advertising and native brand-sponsored advertising are crucial and represent the gateway to a new form of advertising.

For the local media industry, 2015 was marked by slow dynamics, since the slight recovery registered by both the level of economic activity and of private consumption had an impact on private advertising. Advertising related to the presidential elections also represented a relevant factor. The Internet sector, mainly advertising but also connectivity, was one of the industry segments that registered the highest level of growth.

In addition to the macroeconomic trends, at a micro level, the previous administration once again escalated its attacks against the press with the clear purpose of colonizing the media and weakening independent media in general, and Grupo Clarín in particular. The regulatory tools devised to increase governmental intervention and affect private media sustainability, the discrediting campaigns and attacks against journalists and directors from critical media, the arbitrary allocation of official advertising, the use of publicly-owned media as promotional tools for the government, and the expansion of pro-government media (sustained only by the official advertising allocated to them) were once again good examples of such escalation.

In this context, the figures corresponding to the main sources of revenue of the sector were heterogeneous. In fact, the paid television segment continued to expand at slightly lower nominal rates than those observed in the previous year but with fewer inflationary pressures. The number of new subscribers gained during the year was higher than in 2014. The ongoing investment and upgrading allowed the sector to broaden the supplementary services offered focused on the customization of consumption patterns, thus creating products that are more appealing to consumers.

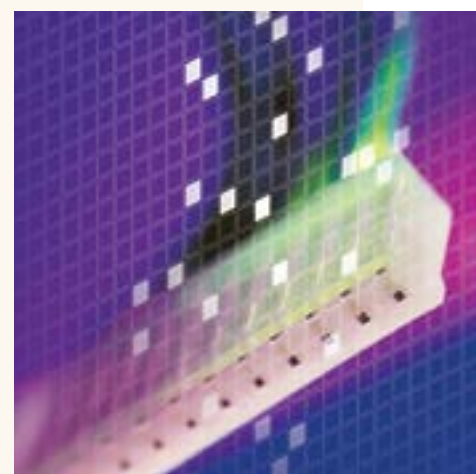
Local broadband consumption continued to grow, though at slightly lower rates than in 2014 as a result of the penetration that this business already has in Argentina (among the highest in the region). As a result of the massification of smartphones together with the nascent investments in networks, Internet access from mobile platforms registered an exponential growth, though there is still a long way to go in connection with the necessary investments required to improve and broaden the offering of services. In this respect, it is worth noting that both at the international and local levels, users demand year after year higher connection speeds as a consequence of the exponential growth of streaming. This growing consumption pattern generates higher maintenance and infrastructure costs for network owners, thus causing new tensions in this segment of the industry.

During 2015, according to the Company's own estimates, total advertising investment recorded a year-on-year increase similar to that registered by

the inflation rate. This increase was driven, on the one hand, by government advertising expenditures, directed to continuing to finance a matrix with a growing share of publicly-owned and other pro-government media, and, on the other hand, by the above-mentioned presidential elections. Digital advertising continued to increase its share in total advertising revenues and is expected to continue to grow above average over the next years, taking into account that 80% of the local digital advertising pie currently belongs to Google and Facebook. However, estimates indicate that 80% of the local advertising pie is still generated by traditional channels.

In turn, during 2015 the broadcast television advertising pie continued to widen the gap in terms of which sector attracts the largest share of advertising in the local market, outperforming the printed media partly as a result of the universalization of new technologies and changes in consumption habits.

With respect to printed newspaper circulation, in line with the downward structural trend specific to this segment of the industry, it is worth noting the exponential increase in the number of visits of the websites that create content, with newspapers at the top of the rankings. Within the framework of this ecosystem, deriving profitability from digital newspapers by generating revenues in line with their growing number of readers is still the main challenge faced by newspaper publishers from an economic-financial standpoint.



## REGULATORY FRAMEWORK 2015

During the Presidential term that ended on December 10, 2015, the Company and its subsidiaries had to operate in a context of constant discretionary use of funds and public media to generate content and shows devoted to political propaganda and to the stigmatization of dissenting opinions, many obstacles and discrimination against non-partisan media in the access to public information, and escalating regulatory decisions and administrative persecutions against those media to compromise their economic sustainability and credibility.

### Audiovisual Sector

As mentioned in the notes to the accompanying Financial Statements, the audiovisual sector suffered once again the harassment exerted through the selective application of Audiovisual Communication Services Law No. 26,522 (LSCA, for its Spanish acronym). With respect to AFSCA, in 2014 the persecution against Grupo Clarín reached its peak with that agency's attempt to terminate arbitrarily the procedures proposed by the Company and some of its subsidiaries to conform to the provisions of the LSCA. Such proposal had been duly filed by the Company and approved by AFSCA in February 2014. However, AFSCA resumed the ex-officio divestiture process, thus confirming all the red flags that pointed at the risk of arbitrary enforcement by a non-independent authority. Such attempt was later suspended by court and this suspension was effective throughout 2015.

With respect to digital television, ARTEAR brought judicial actions against AFSCA and the National Government requesting that Resolution No. 1,329/AFSCA/2014, which amended Resolution No. 1,047/AFSCA/2014 and Decree No. 2,456/2014, be declared unconstitutional. Through this legal framework, which was subsequently supplemented by Resolutions No. 24/AFSCA/2015 and No. 35/AFSCA/2015 (among others), the rights of the current broadcast television licensees are evidently infringed. These rights should be preserved intact as established in Law No. 26,522, which has higher hierarchy. The rights of the current broadcast television licensees that obtained their licenses pursuant to Law No. 22,285 would be infringed by, among other things: i) the imposition of new charges and obligations, such as the obligation to multiplex and broadcast other broadcast television stations

under their own responsibility, incurring liability for the costs derived from such obligation; ii) the illegal assignment of the category "licensee operator" discriminating against them with respect to "authorized licensees" and/or new licensees (non-operators) with respect to the responsibilities and obligations involved, generating a clear competitive disadvantage in the advertising market; and iii) the change in their service category, which may have an impact on their broadcast coverage area.

### Supply Law

The effects of Resolution No. 50/2010 of the Secretariat of Domestic Trade and subsequent resolutions issued in connection thereto, which arbitrarily and discriminatorily sought to impose a limit on Cablevisión S.A.'s monthly basic subscription price, are still suspended by the decision rendered by the Federal Court of the City of Mar del Plata in response to a claim filed by the Argentine Cable Television Association.

On September 17, 2014, Congress enacted Law No. 26,991, amending Supply Law No. 20,680, which served as a basis for the issuance of Resolution No. 50/2010. The constitutionality of the new law has been challenged on the same grounds as the challenges against Law No. 20,680 because it also fails to fulfill the requirements of Section 76 of the Argentine National Constitution in connection with the delegation of legislative powers. In addition, the new law affects property rights, the right to trade and the right to engage in any lawful business of those persons that are subject to its enforcement.

### Official Advertising

In February 2014, the Supreme Court of Argentina rendered a decision on the Claim for the protection of constitutional rights (acción de amparo) brought by Arte Radiotelevisivo Argentino S.A. against the National Government requesting the fair allocation of official advertising, whereby it ordered that official advertising should be allocated on a pro rata and fair basis to the different media in the same category. Such decision, currently in effect, seeks to avoid any decision intended to discriminate against Arte Radiotelevisivo Argentino in the allocation of official advertising as was the case with various subsidiaries of Grupo Clarín S.A. between 2011 and 2015. In this sense, the judicial actions brought for the same purpose

in 2012 and 2013 by Radio Mitre S.A. and Arte Gráfico Editorial Argentino S.A. are still underway. These companies also suffered discrimination in the allocation of official advertising.

### Digital Argentina Act

In December 2014, the Argentine Congress passed Law No. 27,078, known as the "Digital Argentina Act", which partially repealed National Telecommunications Law No. 19,798. The new law subjects the effectiveness of Decree No. 764/00, which deregulated the telecommunications market, to the enactment of four new sets of rules that will govern the License, Interconnection, Universal Service and Radio-electric Spectrum regimes. This law maintains the single country-wide license scheme and the individual registration of the services to be rendered, but replaces the name telecommunication services with Information and Communications Technology Services ("TIC Services", for their Spanish acronym). The licenses will allow licensees to render any telecommunication services to the public, be they fixed or mobile, wired or wireless, national or international, with or without the licensee's own infrastructure.

The law created a new enforcement and oversight Authority as a decentralized agency under the jurisdiction of the Executive Branch: the Information and Communications Technology Federal Enforcement Authority (AFTIC, for its Spanish acronym). In addition, it created a new public service under the name Public and Strategic Infrastructure Access and Use Service for and among Providers. The right of access includes "providers having to make available to other providers their network elements, associated facilities or services to render TIC services, even when such elements are used to render audiovisual content services." Implementing regulations for Law No. 27,078 are still pending.

### Changes to the Applicable Regulatory Framework

Decree No. 267/15, issued on December 29, 2015 and published in the Official Gazette on January 4, 2016, creates the National Communications Agency (ENACOM, for its Spanish acronym) as a decentralized and autarchic agency under the jurisdiction of the Ministry of Communications and vests the new agency with authority to enforce

Laws Nos. 26,522 and 27,078, as amended and regulated.

Under the new regulatory framework, the licenses for physical link and for radio-electric link subscription television services held by Cablevisión and its subsidiaries that had been granted under Laws Nos. 22,285 and 26,522 are now called "Registrations" for the exploitation of physical link and radio-electric link subscription television services of a Licencia Única Argentina Digital.

Pursuant to this amendment (Section 7 of Decree No. 267 which amends, among others, Section 10 of Law No. 27,078), all the services exploited by cable operators (such as Cablevisión) are now governed by the Digital Argentina Act.

Among others things, the Decree introduced the following amendments:

- i) The incompatibility to render in the same location broadcast television services and subscription television services. When subscription television services are exploited through physical or radio-electric link, they will be subject to the Digital Argentina Act;
- ii) The limit of 10 licenses for radio-electric link subscription television services and 24 licenses for physical link subscription television services, which are considered to be TIC services as from January 4, 2016, date on which the decree became effective; and
- iii) The limit that provided that broadcast television services may not reach more than 35% of the total national population and the limit that provided that subscription television services may not reach more than 35% of the aggregate subscribers.

Pursuant to Decree 267/15, the providers of the Basic Telephone Service whose licenses were granted under the terms of Decree No. 62/90 and paragraphs 1 and 2 of Section 5 of Decree No. 264/98, as well as Mobile Telephone Service providers with a license granted pursuant to the list of bidding conditions approved by Resolution No. 575/93 of the then Ministry of Economy and Public Works and Services and ratified by Decree No. 1,461/93, shall only be able to provide subscription broadcasting services by means of physical or radio-electric link after a term of two

years counted as from January 1, 2016. That term may be extended for one more year.

Pursuant to Resolution No. 17/ENACOM/2016 issued on February 1, 2016, the new enforcement authority recognized that the files and/or administrative proceedings pending resolution, among which is the proposal submitted by the Company and its subsidiaries, comply with the limits related to the multiplicity of licenses set forth under Section 45 of Law No. 26,522. Therefore, they shall be deemed concluded and filed. Through Resolution No. 17/ENACOM/2016, the new enforcement authority also repealed Resolution No. 1,121/AFSCA/2014, which had ordered the ex-officio divestiture procedure, and Resolution No. 577/COMFER/09, whereby the COMFER had decided to withhold approval of the merger between Cablevisión and Multicanal.





## 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 16,000 people and, as of year-end, reported annual net sales of Ps. 27.791,5 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.

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 signals Volver and Magazine, among others. It also produces sports channels and events (TyC Sports), television contents and motion pictures (Pol-Ka 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 with the same central focus: Journalism and the 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, develops initiatives that arise from discussions with different stakeholders, and works for sustainability.

This chart illustrates companies in which Grupo Clarín participates directly or indirectly, organized by business segment.

# 01.

CABLE TELEVISION & INTERNET ACCESS



60%

CABLEVISIÓN

# 02.

PRINTING & PUBLISHING



100%

AGEA



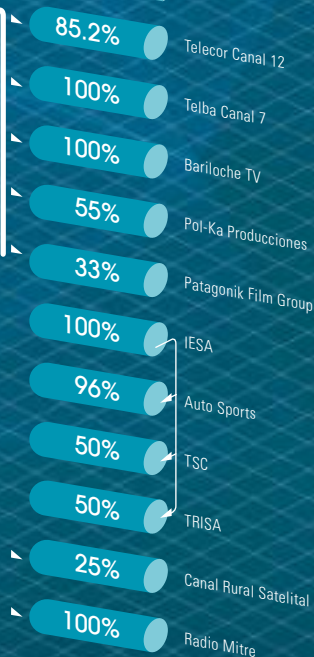
# 03.

BROADCASTING & PROGRAMMING



99.2%

ARTEAR



# 04.

DIGITAL CONTENT & OTHERS



100%

COMPañÍA DE MEDIOS DIGITALES



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 (98.3%) and AGR S.A. (4.7%). This chart does not include certain intermediate holding vehicles and certain subsidiaries that do not have significant assets or business.

## GRUPO CLARÍN AND ITS BUSINESS SEGMENTS IN 2015

In terms of results, Grupo Clarín and its business segments grew again in 2015 in a highly challenging context. During this year the Company consolidated the positive economic and financial performance trends of the previous years in terms of revenues.

Net consolidated sales increased by 41%, from Ps. 19.709,6 to 27.791,5 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.

By the end of 2015, Grupo Clarín's gross consolidated financial indebtedness (including sellers financing, accrued interest and fair value adjustments) was approximately Ps. 6.969,7 billion, while net consolidated indebtedness was approximately Ps. 4.231,4 billion, representing an increase of 50.5% and 51%, respectively, compared to the previous year. This was mostly

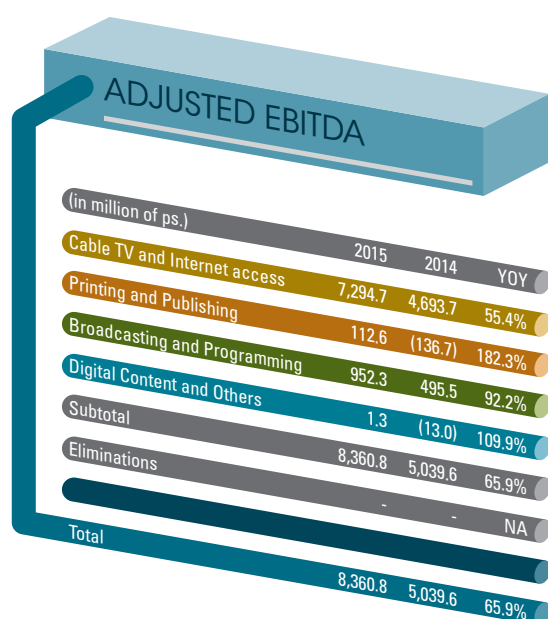
due to the fact that approximately 88% of the Company's indebtedness as of December 31, 2015 is denominated in US dollars and that the Argentine Peso depreciated by 52.5% in 2015, from Ps. 8.55 = USD 1 as of December 31, 2014 to Ps. 13.04 = USD 1 as of December 31, 2015.

The following is a description of the most significant events related to the situation and management of each of Grupo Clarín's business segments during 2015.

### SALES BREAKDOWN BY SOURCE OF REVENUE - DECEMBER 2015 VS. DECEMBER 2014

|                        | CABLE TELEVISION & INTERNET ACCESS |                 | PRINTING & PUBLISHING |                | BROADCASTING & PROGRAMMING |                | DIGITAL CONTENT & OTHERS |              | ELIMINATIONS <sup>(1)</sup> |                | TOTAL           |                 | %             |               |
|------------------------|------------------------------------|-----------------|-----------------------|----------------|----------------------------|----------------|--------------------------|--------------|-----------------------------|----------------|-----------------|-----------------|---------------|---------------|
|                        | 2015                               | 2014            | 2015                  | 2014           | 2015                       | 2014           | 2015                     | 2014         | 2015                        | 2014           | 2015            | 2014            | 2015          | 2014          |
| Advertising            | 118.9                              | 87.2            | 1,744.6               | 1,407.3        | 2,622.7                    | 1,898.2        | 80.3                     | 41.7         | (216.4)                     | (174.5)        | 4,349.9         | 3,260.0         | 15.7%         | 16.5%         |
| Circulation            | -                                  | -               | 1,995.5               | 1,288.4        | -                          | -              | -                        | -            | (0.1)                       | (0.0)          | 1,995.4         | 1,288.3         | 7.2%          | 6.5%          |
| Printing               | -                                  | -               | 322.5                 | 184.7          | -                          | -              | -                        | -            | (43.6)                      | (51.4)         | 278.9           | 133.3           | 1.0%          | 0.7%          |
| Video Subscriptions    | 14,430.0                           | 10,776.8        | -                     | -              | -                          | -              | -                        | -            | -                           | -              | 14,430.0        | 10,776.8        | 51.9%         | 54.7%         |
| Internet Subscriptions | 4,818.0                            | 2,755.6         | -                     | -              | -                          | -              | -                        | -            | (16.4)                      | (12.1)         | 4,801.6         | 2,743.4         | 17.3%         | 13.9%         |
| Programming            | -                                  | -               | -                     | -              | 395.6                      | 416.8          | -                        | -            | (166.0)                     | (123.2)        | 229.6           | 293.6           | 0.8%          | 1.5%          |
| Other Sales            | 758.4                              | 606.6           | 240.9                 | 156.3          | 583.1                      | 271.3          | 680.7                    | 572.2        | (557.1)                     | (392.2)        | 1,706.0         | 1,214.3         | 6.1%          | 6.2%          |
| <b>Total Sales</b>     | <b>20,125.4</b>                    | <b>14,226.1</b> | <b>4,303.4</b>        | <b>3,036.6</b> | <b>3,601.4</b>             | <b>2,586.3</b> | <b>761.0</b>             | <b>613.9</b> | <b>(999.6)</b>              | <b>(753.4)</b> | <b>27,791.5</b> | <b>19,709.6</b> | <b>100.0%</b> | <b>100.0%</b> |

(1) Eliminations include Grupo Clarín's intercompany balances and operations and also adjustments of income/loss from discontinued operations.



*Cost of sales (Excluding Depreciation and Amortization)* reached Ps. 12,258.7 million, an increase of 26.6% from Ps. 9,680.7 million reported for 2014 due to higher costs in our business segments, mainly in Cable TV and Internet access, in Printing and Publishing and in Broadcasting and Programming.

*Selling and Administrative Expenses (Excluding Depreciation and Amortization)* reached Ps. 7,172.0 million, an increase of 43.7% from Ps. 4,989.3 million in 2014. This increase was mainly due to higher costs in the Cable TV and Internet access and in Printing and Publishing segments.

*Adjusted EBITDA* reached Ps. 8,360.8 million, an increase of 65.9% from Ps. 5,039.6 million reported for 2014, driven by higher sales and margin expansion in the Cable TV and Internet access and Broadcasting and Programming segments and, to a lesser extent, to higher EBITDA in the Printing and Publishing.

*Financial results net* totaled Ps. (3,064.4) million compared to Ps. (1,730.4) million for 2014. The increase was mainly due to higher peso depreciation during 2015, which went from Ps. 8.55 per dollar at the end of December 2014, to Ps. 13.04 per dollar as of December 31st, 2015; compared with the 2014 which went from Ps. 6.52 per dollar at the end of December 2013 to Ps. 8.55 per dollar as of December 31st, 2014.

*Equity in earnings from unconsolidated affiliates* in 2015 totaled Ps. 544.6 million, compared to Ps. 71.9 million for 2014.

*Other Income (expenses), net* reached Ps. 99.9 million, compared to Ps. (0.6) million in 2014.

*Income tax* as of December 2015 reached Ps. (1,229.5) million, from Ps. (590.1) million in December 2014.

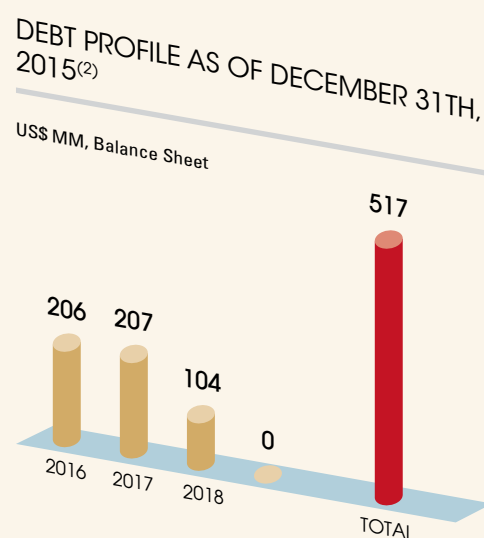
*Income for the period* totaled Ps. 2,915.9 million, an increase of 116.7% from Ps. 1,345.5 million reported for 2014. This was mainly a consequence of higher EBITDA in the Cable TV and Internet access and Broadcasting and Programming segments, and was partially offset by higher peso depreciation. The Equity Shareholders Income for the period amounted to Ps. 1,884.9 million, an increase of 134.4% compared with December 2014.

*Cash used in acquisitions of property, plant and equipment (CAPEX)* totaled Ps. 4,306.5 million in 2015, an increase of 71.0% from Ps. 2,518.1 million reported for 2014. Out of the total CAPEX in 2015, 96.9% was allocated to the Cable TV and Internet access segment, 1.8% to the Broadcasting and Programming segment and the remaining 1.3% to other activities. Capex in the Cable TV and Internet Access segment pertains to subscriber growth, network upgrades and digitalization.

*Debt profile<sup>(1)</sup>*: Debt coverage ratio for the period ended December 31st, 2015 was .89x and the Net Debt at the end of this period totaled Ps. 4,264.1 million.

## DEBT AND LIQUIDITY

| (In million of Ps.)                        | FY15           | FY14           | % Change     |
|--------------------------------------------|----------------|----------------|--------------|
| <b>SHORT TERM AND LONG TERM DEBT</b>       |                |                |              |
| <b>CURRENT FINANCIAL DEBT</b>              | <b>2,897.8</b> | <b>1,704.2</b> | <b>5.9%</b>  |
| Financial loans                            | 532.8          | 396.6          | (30.8%)      |
| Negotiable obligations                     | 1,661.5        | 752.5          | 38.4%        |
| Accrued interest                           | 196.0          | 121.8          | 155.5%       |
| Acquisition of equipment                   | 389.9          | 168.9          | 62.7%        |
| Sellers Financing Capital                  | 1.9            | 3.8            | (98.9%)      |
| Sellers Financing accrued interest         | -              | -              | NA           |
| Related Parties Capital                    | 21.0           | 14.1           | 37.8%        |
| Related Parties accrued interest           | 1.7            | 2.6            | (56.6%)      |
| Bank overdraft                             | 93.0           | 243.9          | (63.2%)      |
| <b>NON-CURRENT FINANCIAL DEBT</b>          | <b>4,071.9</b> | <b>2,925.5</b> | <b>44.6%</b> |
| Financial loans                            | 149.5          | 40.5           | 556.7%       |
| Negotiable obligations                     | 3,321.7        | 2,568.1        | 38.4%        |
| Accrued interest                           | -              | -              | NA           |
| Acquisition of equipment                   | 591.4          | 316.9          | 50.3%        |
| Sellers Financing Capital                  | -              | -              | NA           |
| Sellers Financing accrued interest         | -              | -              | NA           |
| Related Parties Capital                    | 9.2            | -              | NA           |
| Related Parties accrued interest           | -              | -              | NA           |
| Bank overdraft                             | -              | -              | NA           |
| <b>TOTAL FINANCIAL DEBT<sup>(A)</sup></b>  | <b>6,969.7</b> | <b>4,629.7</b> | <b>25.5%</b> |
| Measurement at fair Value                  | (32.7)         | (36.5)         | (15.9%)      |
| <b>TOTAL SHORT TERM AND LONG TERM DEBT</b> | <b>6,937.0</b> | <b>4,593.2</b> | <b>25.6%</b> |
| Cash and Cash Equivalents <sup>(B)</sup>   | 2,705.6        | 1,717.4        | 39.8%        |
| Net Debt <sup>(A) - (B)</sup>              | 4,264.1        | 2,912.3        | 17.9%        |
| Net Debt/Adjusted EBITDA <sup>(1)</sup>    | 0.55x          | 0.50x          | 47.4%        |
| % USD Debt                                 | 88.3%          | 84.5%          | 9.5%         |
| % Ar. Ps. Debt                             | 11.7%          | 15.5%          | (39.7%)      |



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

(2) Exchange Rate: 13.04 ARS/ USD as of December 31st 2015.

## SUPPLEMENTARY FINANCIAL INFORMATION

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

### 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. 41.6 million compared to the previous year, from (positive) Ps. 165.4 million to (positive) Ps. 123.9 million. This decrease is basically evidenced in the decrease in Company funds (the items Cash and Banks and certain Current Investments) in the amount of Ps. 122.3 million, net of a net increase in balances with related parties and the placement of forward instruments.

With respect to non-current items, the most significant variation was recorded under Investments in unconsolidated affiliates, mainly as a consequence of: (i) the net increase generated by 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., (ii) the increase generated by new contributions made to certain subsidiaries, mainly Arte Gráfico Editorial Argentino S.A., and (iii) the decrease generated by the collection of dividends of certain subsidiaries, mainly the companies through which the Company indirectly controls Cablevisión S.A. and Arte Radiotelevisivo Argentino S.A.

The Statement of Operations as of December 31, 2014, recorded a net income of Ps. 804.1 million. Such income is basically derived from the income generated by the investments in subsidiaries which amounted to Ps. 731.2 million, which includes the income generated by the investment in the subsidiary Inversora de Eventos S.A., classified as Net Income from Discontinued Operations during this year.

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 16 to the Consolidated Financial Statements.

### PROPOSAL OF THE BOARD OF DIRECTORS

Net income for the year ended on December 31, 2014, was Ps. 804,101,687.

In light of the situation outlined in this Annual Report in connection with the proposal to conform to the LSCA, the dividend distribution proposal presented by the Boards of Directors of each of

Grupo Clarín's subsidiaries, the financial position of certain subsidiaries which are expected to require in 2015 contributions to be made using a substantial portion of the dividends receivable mentioned above, and the expected future cash flows from operating and financing activities, the Board of Directors considers that it would not be prudent to propose any dividend distribution. Hence, the Board of Directors proposes to the Shareholders' Meeting that such net income of Ps. 804,101,687 be appropriated to the Optional Reserve to give financial aid to its subsidiaries and the LSCA.

The Legal Reserve has already reached the limit established by Law No. 19,550 and CNV resolutions and, therefore, the Company is not required to appropriate net income to the legal reserve.

Below is a summary of the main criteria on which the above appropriation of net income for the year to the optional reserve mentioned above proposed by the Board of Directors is based:

- as mentioned above in this Annual Report and as exhaustively described in the Company's financial statements, the circumstances that gave rise to the setting up of this reserve are still prevailing. Therefore, the Board of Directors proposes to the Shareholders that, given the uncertainties related to the LSCA, the eventual implications of the implementing regulations of the Digital Argentina Act, and the contributions that are expected to be required by some subsidiaries for the reasonable management of their businesses, among other issues, it would be prudent and reasonable to appropriate net income for the year to the optional reserve.

### DIRECTORS' RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the consolidated financial statements included with this annual report, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- this annual report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board,  
Alejandro Urricelqui  
Vice Chairman  
Grupo Clarín



## 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. Pursuant to the By-laws, the Board of Directors is comprised by ten permanent directors and ten alternate directors who are elected at the Ordinary Shareholders' Meeting on an annual basis. Four of them (two permanent and two alternate members) are required to be independent directors, appointed in accordance with the requirements provided under the CNV rules.

### 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 28, 2015:

|                                                |                      |
|------------------------------------------------|----------------------|
| Jorge Carlos Rendo                             | Chairman             |
| Alejandro Alberto Urricelqui                   | Vice Chairman        |
| Pablo César Casey                              | Director             |
| Saturnino Lorenzo Herrero Mitjans <sup>1</sup> | Director             |
| Hector Mario Aranda                            | Director             |
| Ignacio R. Driollet                            | Director             |
| Lorenzo Calcagno                               | Independent Director |
| Alberto César José Menzani                     | Independent Director |
| Luis María Blaquier <sup>2</sup>               | Director             |
| Sebastián Salaber                              | Director             |

|                          |                    |
|--------------------------|--------------------|
| Martín Gonzalo Etchevers | Alternate Director |
| Hernán Pablo Verdaguer   | Alternate Director |
| Juan Ignacio Giglio      | Alternate Director |
| Francisco Iván Acevedo   | Alternate Director |
| Sebastián Bardengo       | Alternate Director |
| Gervasio Colombres       | Alternate Director |
| Carlos Rebay             | Alternate Director |
| Luis Germán Fernández    | Alternate Director |
| Horacio Eduardo Quirós   | Alternate Director |
| Jorge Ignacio Oría       | Alternate 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 Ordinary 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 provided under CNV rules.

### 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 28, 2015:

|                                     |                  |
|-------------------------------------|------------------|
| Raúl Antonio Morán <sup>3</sup>     | Permanent Member |
| Carlos A. P. Di Candia <sup>3</sup> | Permanent Member |
| Pablo San Martín <sup>3</sup>       | Permanent Member |
| Hugo Ernesto López <sup>3</sup>     | Alternate Member |
| Rubén Suárez <sup>3</sup>           | Alternate Member |
| Miguel Ángel Mazzei <sup>3</sup>    | Alternate Member |

### AUDIT COMMITTEE

The Audit Committee is comprised as follows:

|                              |                  |
|------------------------------|------------------|
| Alberto César José Menzani   | Chairman         |
| Lorenzo Calcagno             | Vice Chairman    |
| Alejandro Alberto Urricelqui | Permanent Member |
| Pablo César Casey            | Alternate Member |
| Carlos Rebay                 | Alternate Member |
| Luis Germán Fernández        | Alternate Member |

1) During the year, in November 2015, the Company and the Board of Directors mourned the death of Mr. Saturnino Lorenzo Herrero Mitjans, Permanent Director. He was replaced by the Alternate Director Horacio Eduardo Eduardo Quirós.

2) Luis María Blaquier resigned to the position of Permanent Director appointed by Class C shares and was replaced by the Alternate Director Gervasio Colombres, who took office as Permanent Director.

3) Independent members of the Supervisory Committee.



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; 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, among other factors.

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 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.

All of Grupo Clarín's subsidiaries have compensation arrangements with all of their 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, prevailing market salaries and performance. The annual 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 20 to the Consolidated Financial Statements, on January 1, 2008 Grupo Clarín began to implement a long-term savings plan for certain executives of Grupo Clarín and its

subsidiaries. Executives who adhere to such plan will contribute regularly a limited 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. This long-term benefit has a strong withholding component and is considered as an integral part of the employee's total compensation for comparative purposes with prevailing market salaries. During 2013, certain changes were made to the savings system, although its operation mechanism and the main characteristics with regard to the obligations undertaken by the company were essentially maintained.

The parameters used in fixing compensations are in line with customary market practices followed by companies of the scale of Grupo Clarín. To this end, the Company assesses the relative weight of the several positions within the company, as well

as the performance of the employee that holds the position. In order to assess positions and compare salaries in different markets, the Company uses the services and reports of prestigious HR companies at the national and international level.

#### ANNUAL SHAREHOLDERS' MEETING

Grupo Clarín held its Annual Ordinary Shareholders' Meeting on April 28, 2015. On this occasion, the shareholders reviewed and approved the accounting records for fiscal year No. 16 ended on December 31, 2014 and the performance and compensation of the members of the Board of Directors and the Supervisory Committee. Among other things, they elected the permanent members and alternate members of the Board of Directors and the Supervisory Committee for the year 2015. In addition, the shareholders approved the distribution of cash dividends in the amount of Ps. 250,000,000, payable in two installments, the first one for Ps. 125,000,000 payable within 30 days following the date of the Shareholders' Meeting and the second one for Ps. 125,000,000 payable on December 31, 2015 or on an earlier date, as determined by the Board of Directors.

#### 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 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.

#### SET-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.

#### CODE OF CORPORATE GOVERNANCE

In addition to the aforementioned and in conformity with the CNV's decisions concerning the filing of the report about compliance with the Code of Corporate Governance (Resolution No. 606/12), Grupo Clarín prepared the report for the year under analysis, which is attached as an exhibit to this annual report.

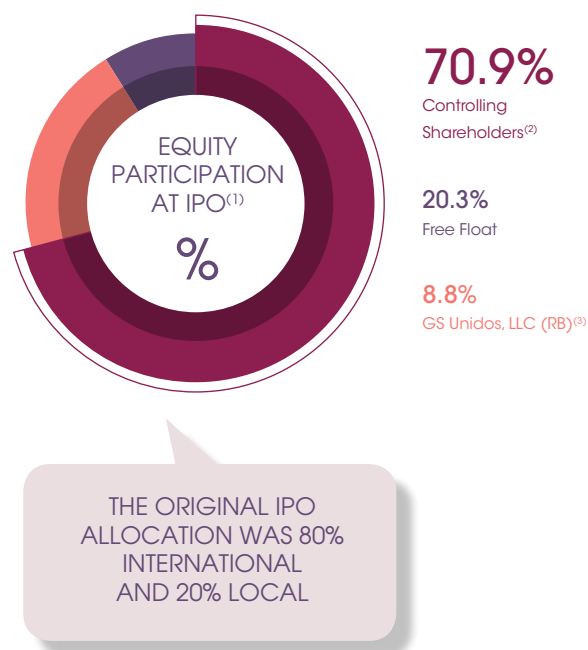
## STOCK INFORMATION AND SHAREHOLDER STRUCTURE

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, 2015 | Ps. 156.0 |
| GCLA (LSE) Price per GDS, December 31, 2015    | USD 19.8  |

|              |             |
|--------------|-------------|
| Total Shares | 287,418,584 |
| Total GDS    | 143,709,292 |



## SHAREHOLDER STRUCTURE

Number of Shares<sup>(4)</sup>

|                            |                  |
|----------------------------|------------------|
| ● Controlling Shareholders | 204,030,277      |
| ● GS Unidos, LLC (RB)      | 25,156,869       |
| ● Free Float               | 58,231,488       |
| - International            | 27,499,648 (47%) |
| - Local                    | 30,731,840 (53%) |
| 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.

(4) As of March 9th, 2016.



# 01.

CABLE TELEVISION  
& INTERNET ACCESS

Grupo Clarín operates, through Cablevisión, one of the main regional cable television and broadband systems. This segment's revenues mainly derive from monthly subscriptions to cable television service and high-speed Internet access. Its revenues also derive from connection and advertising charges, sales of premium and pay-per-view programming, digital packages, DVR, high definition (HD) signal packages, VOD (Video On Demand) services and the magazine.

Out of Grupo Clarín's total sales in 2015 the Cable TV and Internet access segment was the Company's main revenue driver, with sales of Ps. 20.125 billion, considering intersegment sales.

In terms of geographic availability of Grupo Clarín's services, by the end of 2014, its network reached approximately 7.6 million Argentine

households. Grupo Clarín provides services in the City of Buenos Aires and suburban areas, as well as in the cities of Buenos Aires, Santa Fe, Entre Ríos, Córdoba, Corrientes, Formosa, Misiones, Salta, Chaco, Neuquén and Río Negro. Regionally, Grupo Clarín also operates in Uruguay.

As of December 31, 2015, it had approximately 3,395,300 paid TV subscribers in Argentina, 137,300 in Uruguay and 2,025,900 Internet subscribers in Argentina.

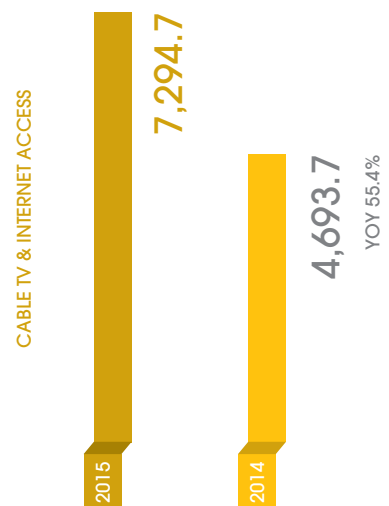
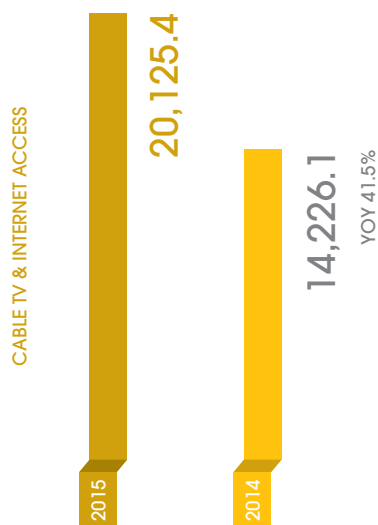
By the end of 2015, most of the homes in Cablevisión's network were passed by its 750MHz bi-directional broadband. Cablevisión's 750MHz networks enable it to offer services and products that generate additional revenues, such as access to Internet, digital services and premium channels.

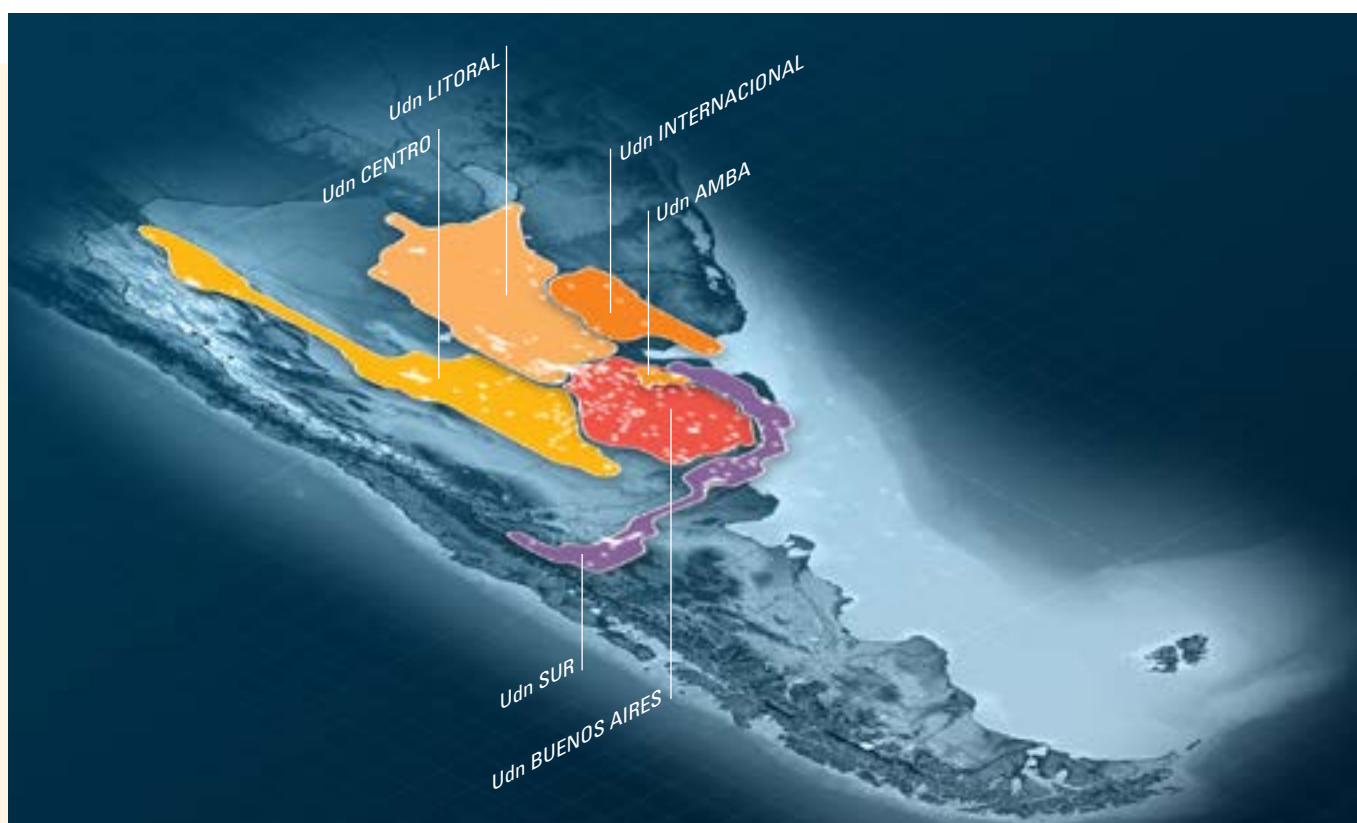
## ADJUSTED EBITDA

(In millions of Ps.)

## NET SALES

(In millions of Ps.)





## OPERATING STATISTICS - CABLE TV AND INTERNET ACCESS

|                                                  | 2015           | 2014    | YoY     |
|--------------------------------------------------|----------------|---------|---------|
| <b>Homes Passed<sup>(1)</sup></b>                | <b>7,795.4</b> | 7,514.1 | 3.7%    |
| <b>Bidirectional Homes Passed</b>                | <b>72.1%</b>   | 68.9%   | 4.6%    |
| <b>Unique Subscribers</b>                        | <b>3,873.7</b> | 3,791.7 | 2.2%    |
| <b>CABLE TV</b>                                  |                |         |         |
| Total Consolidated Subscribers <sup>(1)(3)</sup> | <b>3,532.6</b> | 3,491.1 | 1.2%    |
| Subscribers - Argentina                          | <b>3,395.3</b> | 3,359.1 | 1.1%    |
| Subscribers - International (Uruguay)            | <b>137.3</b>   | 131.9   | 4.0%    |
| % over Homes Passed                              | <b>45.3%</b>   | 46.5%   | (2.5%)  |
| <b>Total Equity Subscribers<sup>(4)</sup></b>    | <b>3,664.1</b> | 3,619.8 | 1.2%    |
| Churn Rate %                                     | <b>12.6%</b>   | 13.6%   | (7.1%)  |
| <b>DIGITAL VIDEO</b>                             |                |         |         |
| Digital Ready Pay TV Subs                        | <b>3,180.3</b> | 2,774.0 | 14.6%   |
| Total Digital Decoders                           | <b>1,642.1</b> | 1,405.0 | 16.9%   |
| - Argentina                                      | <b>1,444.2</b> | 1,235.8 | 16.9%   |
| - International                                  | <b>197.9</b>   | 169.2   | 16.9%   |
| Penetration over Digital Ready TV Subs           | <b>51.6%</b>   | 50.6%   | 1.9%    |
| <b>INTERNET SUBSCRIBERS</b>                      |                |         |         |
| <b>Total Internet Subscribers<sup>(1)</sup></b>  | <b>2,025.9</b> | 1,837.7 | 10.2%   |
| - Cablemodem <sup>(1)</sup>                      | <b>2,018.1</b> | 1,828.1 | 10.4%   |
| - ADSL <sup>(1)</sup>                            | <b>3.31</b>    | 4.5     | (26.5%) |
| - Dial Up <sup>(1)</sup>                         | <b>4.5</b>     | 5.1     | (12.7%) |
| % over Bidirectional Homes Passed                | <b>34.9%</b>   | 35.5%   | (1.7%)  |
| <b>TOTAL ARPU<sup>(2)</sup></b>                  | <b>477.6</b>   | 339.5   | 40.7%   |

(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 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.

Cablevisión's subscribers may purchase premium packages in addition to the basic service for an additional fee. These packages or services have a number of signals additional to those offered in the basic package, with a unique content differentiated by film genre, adult programming, sports or a combination of these options.

Cablevisión is also offering digital services to its subscribers that include a basic digital package, as well as Premium and High Definition (HD) services and Video On Demand ("VOD") programming. The digital service reaches the City of Buenos Aires and its surrounding areas (the "AMBA Region"), the city of La Plata and the major markets of the provinces (for instance, Córdoba, Rosario, Santa Fe, etc.). This digital service enables to broaden the signal offering and features an on-screen programming guide.



Cablevisión offers a high definition signal package (Cablevisión Digital HD) as well as the Cablevisión Max HD product in locations with the necessary technology to broadcast under this format.

Since 2012, Cablevisión has been offering a Video On Demand (VOD) 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). The VOD content has signals, such as, Wobi TV, HBO, Discovery, ARTEAR, among others.

During 2014, Cablevisión launched “Cablevisión Play”, a service that offers subscribers access on demand to a library with 7,000 titles, from any device inside and outside the subscriber’s home. The new on-line platform offers movies, series and live sports events, providing subscribers with the best variety of contents, as well as several tools for users, including: a comprehensive programming search tool; integration with social networks (Twitter and Facebook). That company also launched Cablevisión Store, a new function for Cablevisión HD and Cablevisión Max HD subscribers that allows them to buy Premium packages from their remote control.

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 has been offering high-speed cable modem Internet access through its networks under the Fibertel brand since September 1997. Cablevisión’s Internet access products are specially customized to the needs of each residential or corporate user, providing specific solutions, such as, virtual private network or “VPN” services, traditional Internet Protocol (“IP”) connections and corporate products that include additional services.

Cablevisión provides high-speed Internet services in the AMBA region, the cities of La Plata, Córdoba, Rosario, Campana, Río Cuarto, Posadas, Salta, Olavarría, Pergamino, Mar del Plata, Bahía Blanca, Santa Fe, and other cities of the provinces.

Fibertel is undoubtedly the broadband service that offers the best variety of speeds in the market, widely and at competitive prices. Since 2011, it has offered Fibertel Evolution. Fibertel is the first Internet provider in the country in incorporating the new "Wideband" technology to its product portfolio. During 2015, Fibertel launched its 25-megabyte and 50-megabyte products extending its product offering to all of its subscribers. The launch of new products with higher speeds is one of the main objectives of the Company's business strategy, seeking to increase speed at households in order to meet the demand for higher bandwidth consumption. In order to improve the distribution and range of its Wi-Fi services at its subscribers' households, Fibertel launched Fibertel Wi-Fi Extenders for its broadband services, which allow subscribers to extend the range of the services offered.

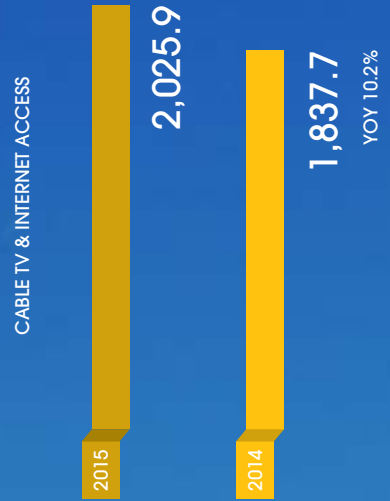
Fibertel Zone is the first Argentine Wi-Fi circuit. This service, which reached 1500 hotspots in 2015, allows users to surf the web for free at the highest speed at bars, restaurants, movie theaters, gyms and parks, among many other spots. It is available for Fibertel customers and non-customers. However, at the time of establishing the connection, customers obtain the following benefits: Higher speed, browsing

priority and connection without time limits. The development of this new product places Fibertel at the forefront of the telecommunications market. It is the only company in the local market that offers a product such as Fibertel Zone, providing a free service not only to its subscribers but also to potential customers. The goal for the next months is to continue to increase the number of Fibertel Zone hotspots.

In line with this mobility context, Cablevisión believes that, in order to meet the growing demand from its subscribers it is essential to engage in the mobile business. During 2015, it acquired 49% of Nextel Argentina S.A. (with a call option to acquire the remaining 51%) to supplement fixed services with mobile services. On January 27, 2016, Cablevisión and its subsidiary Televisión Dirigida S.A. decided to exercise the option to acquire the remaining 51% of the capital stock and votes of Nextel, and, consequently, Cablevisión became the holder of 51.4% of the capital stock and votes of Nextel and Televisión Dirigida S.A. became the holder of the remaining 48.6%.

## TOTAL INTERNET SUBSCRIBERS

(Figures in thousands)







#### 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 its services 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 customer relations. 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, the web site and the social networks, mainly Facebook and Twitter. Cablevisión is certified under the model of the COPC (Customer Operations Performance Center) standards, which foster improvements in the processing of customer's inquiries. Not only was this achieved by making changes in the procedures, but also by delivering results that boost customer's satisfaction. This high-

performance management model is used by the world's leading service companies. In addition, Cablevisión included a solution called "Interaction Analytics" that provided further information to spot opportunities for improvement in customer service. The satisfaction indicators remained above the target of 85%, Top Two Box, confirming the excellence of the services provided by the Company.

#### 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 are 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 their local affiliates 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 the population 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 (satellite technology) that compete against Cablevisión nationwide. Cablevisión also considers as competitors Internet video streaming systems (Netflix, Arnet play and On Video) that compete against its services.

Cablevisión can effectively compete against other cable television providers on the basis of a competitive price, a higher number of quality programs and a wide range of additional services, and mainly the customer service it renders through its "Contact Center".

Two other 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 in certain areas of the country. During 2015, the three main mobile Internet providers are expected to start offering 4G services nationwide.

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





# 02.

PRINTING  
& 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 2015, the Printing and Publishing segment accounted for Ps. 4.303 billion, considering intersegment sales. This segment derives revenues primarily from the sale of advertising, newspaper copies 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; Diario Muy; and regional supplements. It also publishes Genios, a magazine with a high penetration rate in the schoolchildren's segment; Jardín de Genios, aimed at children between 2 and 5 years of age that comes 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.

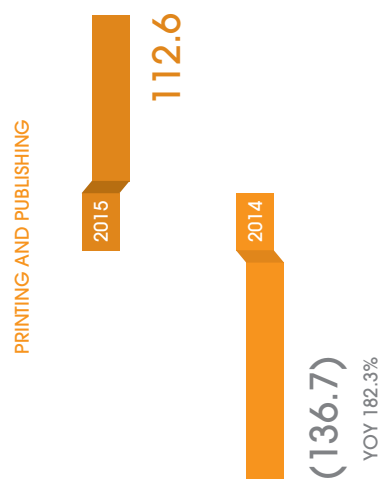
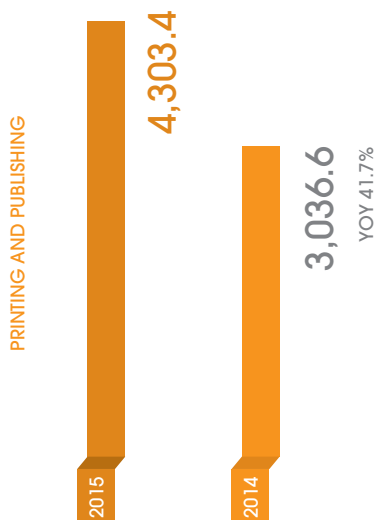
AGEA has a strong presence in the on-line classified ads segment through vertical sites, including Autos, Inmuebles y Empleos and in the Internet content market through its websites clarin.com, ole.com.ar, entremujeres.com and biencasero.com.

## ADJUSTED EBITDA

(In millions of Ps.)

## NET SALES

(In millions of Ps.)





## OPERATING STATISTICS - PRINTING AND PUBLISHING

|                                    | 2015  | 2014  | YoY    |
|------------------------------------|-------|-------|--------|
| Circulation <sup>(1)</sup>         | 261.7 | 276.5 | (5.3%) |
| Circulation share % <sup>(2)</sup> | 39.4% | 38.7% | 1.7%   |
| Advertising share % <sup>(3)</sup> | 51.2% | 53.4% | (4.1%) |

(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.

## DIARIO CLARÍN

With a long-standing journalistic and commercial leadership consolidated in its 70-year track record, Clarín is the most prominent Argentine newspaper in terms of outreach, 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.

With an average daily circulation of 227,000 copies, Clarín's circulation is 1.5 times higher than its closest competitor, while Sunday's sales exceed 511,000 daily copies, placing Clarín among the major Sunday newspapers of the world. Clarín has a 39.4% share of the newspaper market in the City of Buenos Aires and the province of Buenos Aires and a 23.6% share at a national level.

Clarín 365, designed to build loyalty among readers and to reinforce its close bond with them, as well as to retain circulation, offers its over 383,000 subscribers a discount, promotion and benefit program they can use in over 1,300 brands and 5,500 stores nationwide. During 2015, the focus was on improving the service rendered to subscribers and readers, optimizing the performance of the benefits offered by the program, creating a more efficient communication channel with readers and redesigning graphic communication with new campaigns and an

exclusive website. AGEA executed agreements to increase the number of subscribers and implemented the application App 365, which is more dynamic and seeks to reinforce its close bond with subscribers.

AGEA leads the print media market with over Ps. 1.014 billion in sales in 2015, ranking first in terms of advertising revenues and sold advertising space. AGEA also leads all advertising categories (display, special section and classified ads). During the year, on-line advertising sales rose to Ps. 175 million.

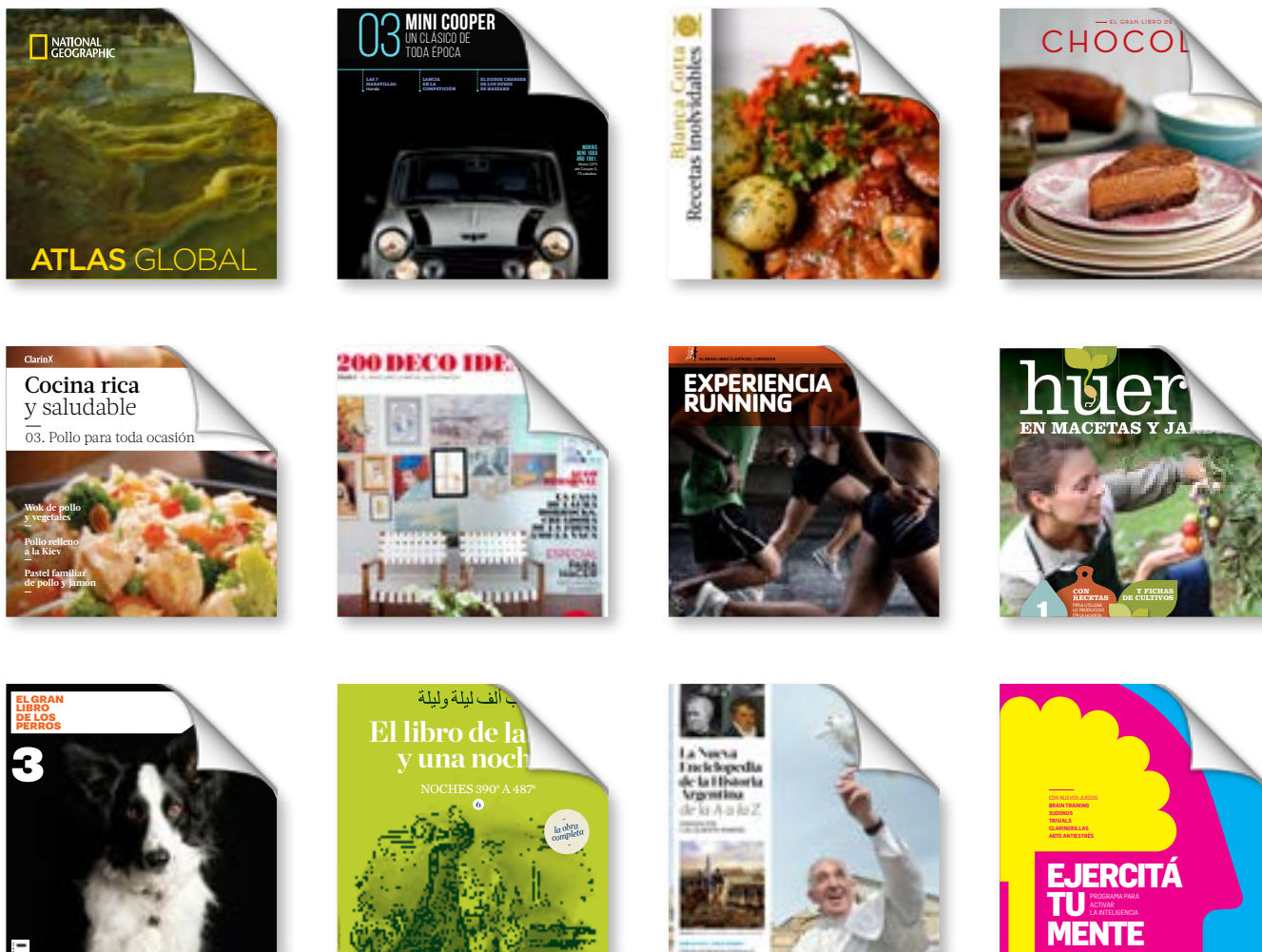
The Zepita facility, where Dario Clarín is printed, has a surface area of 35,000 m<sup>2</sup> and capacity to store 12,000 tons of newsprint. It has five Goss Metrocolor rotary offset printing presses that enable it to print 300,000 copies of 80 full-color pages per hour. The entire production process is developed in accordance with leading industrial criteria -such as the "computer to plate" (CTP)- and environment preservation standards, such as, ISO 14001. Ongoing audits are conducted by companies that are engaged for that purpose.

For the last few years, Clarín has been engaged

in a significant business transformation process. It started with the production of a single product -Diario Clarín- that reached its readers through the newsstands under a reading contract that was renewed every 24 hours. It had a direct relationship with advertisers or through agencies. In the last few years, the Company has maintained those standards and undertaken the challenge of adjusting its business environment to an increasingly complex environment for traditional media. Thanks to the proliferation of web sites, Clarín now maintains a direct link with millions of readers, where information is updated by the second.

During 2015, Clarín celebrated its 70th anniversary with a large comprehensive campaign launched in June through an important coverage in television, radio, print media, billboards and movie theaters with high frequency levels. The TV spot won the award Lápis de Plata given by the prestigious Editorial Dossier of Argentina. In turn, all the supplements that are part of the newspaper's editorial offering also celebrated the anniversary and issued a special edition with the highlights that marked the country and the world in the last 7 decades.





## PRODUCTS

The basic offer of the newspaper is comprised by the main body and its supplements: Entertainment, Sports and Classified ads. Weekly supplements, such as, Rural, Countries, iEco, Autos, Mujer, Sí, Viajes, New York Times, and Ollas, make Diario Clarín one of the most comprehensive newspapers in the market.

The Company continued to offer regional newspapers that maintain the concept of proximity and symmetry with readers. As from December, the Company reorganized its structure. It reduced from 10 to 9 regional newspapers; the news in the regional newspaper of San Miguel / José C. Paz / Malvinas Argentinas are now published in the regional newspapers of Tigre / San Fernando (Malvinas Argentinas was added) and San Martín / Tres de Febrero (San Miguel and José C. Paz were added), apart from its 2 monthly regional newspapers.

The product yielded considerable profitability for the sixth consecutive year and was a good support to the Thursday edition of Diario Clarín,

with coverage in the following locations: Vicente López, San Isidro, Morón, Ituzaingó, Hurlingham, Lomas de Zamora, Avellaneda - Lanús, San Martín, Tres de Febrero, La Matanza, Tigre, San Fernando, San Miguel, Malvinas Argentinas, José C. Paz, Quilmes, Berazategui and Florencio Varela. The monthly supplements published for Pilar, Escobar, Zárate and Campana, and Moreno, General Rodríguez and Luján are also part of the offering.

Like every year, the Sports Supplement of Diario Clarín covered the most prominent sports events through its usual and its special editions, such as the South American Cup, the Libertadores Cup, the Local Championship, 4 Grand Slams and F1 editions. As usual, soccer had its preferential spot. Diario Clarín made a broad editorial coverage of the Copa América Chile 2015 and the Clubs World Cup in Japan, providing the best information and services to its readers.

iEco is the economic supplement of Diario Clarín, and offers readers an in-depth economic review,

the secrets of leading companies, personal finance, marketing and the labor market. The Rural supplement is a management tool for the production sector, embracing all the solutions and technologies for agricultural businesses. It is published on a weekly basis.

In order to continue to provide services and 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. The following are among the most prominent collectible products for the period: "Crecimiento emocional", "El gran libro de las pizzas", "Atlas Global de National Geographic", "Las mil y una noches", "La nueva enciclopedia Argentina de la A a la Z", "Vida más saludable", "Experiencia running", "La biblia con Francisco", "El gran libro del crochet 2015", "El gran libro de los perros", "Premio Nobel de la literatura", "El gran libro de Blanca Cotta", "Cocina para las fiestas", "200 deco ideas", among others.

## INTERNET

With a strong share in all major social platforms, Clarín has been employing an innovative communication, dissemination and presence strategy in websites, thus consolidating itself as the undisputed benchmark in the “social media” journalistic category.

Clarín.com has been comprehensively renewed and features a new design that addresses the major changes derived from Internet in the way readers consume news and information. The website, with larger display of images, new sections and a structure that reorganizes the traditional news categories, is constantly updated through an integrated newsroom. Apart from renewing its main site, Clarín.com launched new versions for mobile devices through web applications that allow users of mobile phones and tablets with any operating system to access the site. The newspaper's mobile application was redesigned to turn it into a renewed and more dynamic application with new functionalities. As a result, there was a 22% increase in the number of applications installed in Android systems. In addition, Clarín made changes in the access to the web version through a user system in order to provide a better service and interaction with the reader.

These actions allowed Clarín.com to continue as the news site with the highest market share in Latin America with 28 million unique visitors and more than 284 million page views per month.

With its sites “Deautos”, “Argenprop” and “Empleos Clarín”; the company maintains its strong presence in the on-line classified ads for cars, real estate and jobs.

The most outstanding sites in the AGEA network are Vía Restó, Clarín's online restaurant guide; Biencasero.com, a site with practical solutions to enjoy the cooking experience; Entremujeres.com, which continued to grow in terms of unique visitors and consolidated itself as one of the most visited sites, with over 3.9 million unique visitors; and Extrashow, a site that keeps readers updated with the best information on movies, theater plays, TV shows, music and celebrities from Argentina and the rest of the world, received more than 37 million visits in the last 6 months.

El Gran DT is another alternative among online products. Argentina's most popular game managed to engage more than 5 million participants since its launch at the 2008 Apertura Tournament. Each online edition of Gran DT engages more than 650,000 participants who have the chance to build their fantasy teams and win outstanding prizes.



## MAGAZINES

AGEA also continued to build upon the achievements attained by the cultural magazine *Ñ*. During the year, several initiatives were carried out, aimed at engaging readers through the launching of collectible products and special editions, and the creation and sponsorship of forums comprising different cultural issues and involvement in and sponsorship of major cultural events, such as the Feria del Libro de Buenos Aires (Buenos Aires' Book Fair).

Revista *ELLE* is a high-end magazine for women mostly focused on fashion, beauty and news. In 2015, its circulation exceeded a monthly average of 25,000 copies. Revista *Pymes* continued to consolidate its position with a special offering that reflects the voice of entrepreneurs and the keys to their strategies.

In 2015, the Company continued to publish the magazines *Genios* and *Jardín de Genios*. With children and school in mind, these magazines were created with the aim of integrating content for children, parents, school and society, combining education with entertainment. *Genios* had an average circulation of more than 44,000 copies, while the monthly issue of *Jardín de Genios* retained its leading position in the

children's magazine segment with over 57,000 copies sold. During 2015, "Tiki Tiki", a magazine aimed at children aged 7 through 14, continued to strengthen its position.

During the year, the company continued to publish the monthly magazine-catalogue, *Shop & Co*, which includes discount coupons on important brands.

## OTHER NEWSPAPERS

*La Razón*, which was added to Grupo Clarín in late 2000, is the pioneer among free-distribution newspapers. It is mainly distributed in the public transportation network of the City of Buenos Aires in more than 200 locations, including trains, subways and highways. *La Razón* is also distributed at certain bars and among a group of opinion leaders through an exclusive mailing program.

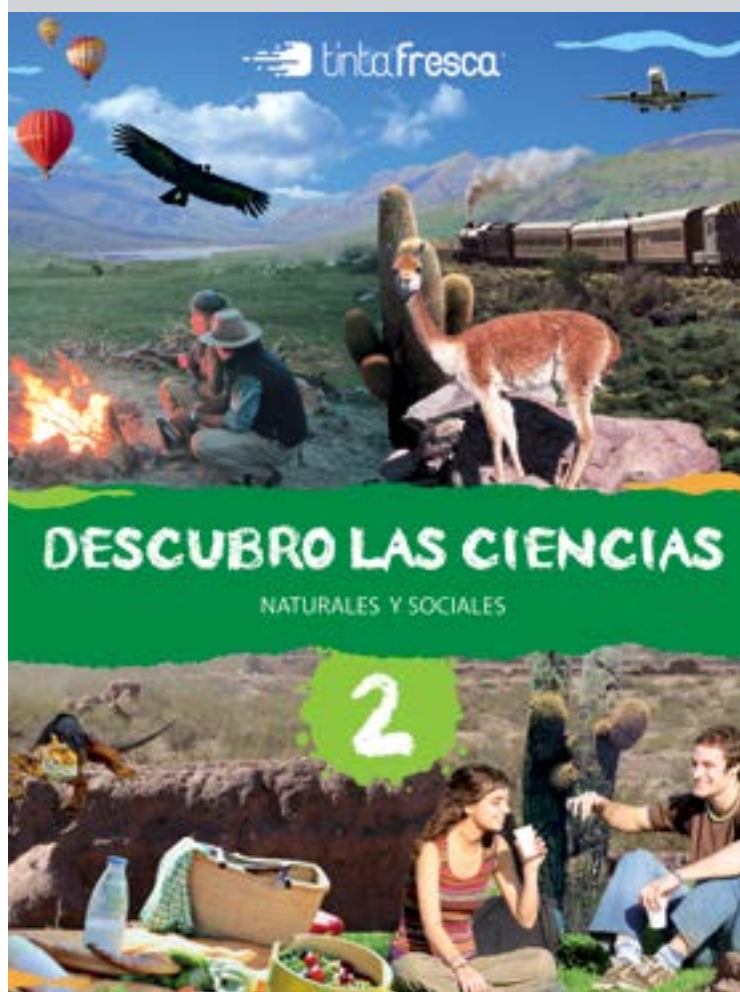
*Diario Olé* is the first and only sports newspaper in Argentina. Since 1996 and with an average annual historical circulation of 32,000 copies per day, *Olé* continues to lead the sports editorial market, and is one of the highest circulation newspapers in the city of Buenos Aires, including general interest

newspapers. Among its editorial offering, it has the broadest and most comprehensive soccer and multi-sport coverage. Since its inception, it has drastically changed reading habits and managed to engage a new generation of young readers, avid for information and critical opinions. The editorial profile is fresh and complicit with an agile and informal style focused on photography, illustrations and infographics as communication tools, with a good design and modern and effective production technology. In a year marked by major events such as the Rugby World Cup in England, the Copa América in Chile and the Clubs World Cup in Japan, *Olé* published the most comprehensive guides, providing the most relevant information and views, as well as the best sports analysis.

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 2015, the newspaper *MUY* has continued to offer promotions, optional books and free collectibles.







### TINTA FRESCA

Founded in 2004, Tinta Fresca Ediciones S.A. 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. With more than 370 titles, its editorial offering has been enriched with the incorporation of sourcebooks, as well as an interesting offering of children and youth literature, dictionaries and reference books, and collectible products.

In November 2009, Tinta Fresca executed an agreement with the National Agency for the Promotion of Science and Technology and the inter-university consortium ELSE, for the publication of a catalogue of books focused on teaching Spanish as a foreign language (ELE). The project, which consisted in the development of four books, was completed during 2014, and the company began to sell these books during 2015 in printed and digital versions.

The business founded in Mexico in 2007, in partnership with the Mexican group MILENIO, has increased to 13 the number of titles in the catalogue of the Secretariat of Public Education, compared to the 12 titles that made up the catalogue last year. Also during 2015, 4 titles were approved, therefore, the catalogue to be issued in 2016 will have 14 titles for public schools and 17 titles for private schools. During 2015, this company continued to work with the promotion team and reinforced its work at private schools. In addition, this company hired a specialist in promotions to handle its official sales.





### ARTES GRÁFICAS RIOPLANTENSE

AGR is a comprehensive printing production company that meets the special printing needs (magazines, optional and collectible products, among others) of Clarín and Olé, apart from producing large volumes of graphic material (books, advertising brochures, etc.) for other major editors in the region, which makes it the leading printing services company in Latin America.

In 2015, AGR retained its leading position in the sector with net sales of Ps. 439.1 million.

In addition to the progress made in improvement and control management of its production processes, during 2015, AGR continued to make progress in the production of advertising brochures and increased its activities in the printing market due to the election year. AGR purchased and installed a flatbed printer in order to meet higher quality standards and reduce the turnaround time of this type of products. During the period, AGR implemented the digital printing line for books and was able to produce books for different publishing companies.

AGR successfully completed the implementation of the FSC standard and ISO 14000, an internationally accepted standard that allows for the establishment of an effective Environmental Management System (EMS) to achieve a balance between maintaining profitability and reducing the environmental impact. On the other hand, AGR focused on ongoing improvements to reduce waste.

In May 2000, AGR entered into an agreement with the Techint Group, acquiring 50% of Imprint

Tecnologías S.A. ("Imprint"). Imprint 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.

During 2015, Imprint focused on business development. It was able to maintain its main customers, renew contracts and enhance its reach to new customers. It also made a significant renewal of its fleet of machines to be in line with the latest technological developments. In addition, it continued with its social investment programs and with the awareness and prevention campaigns and actions on health issues.

In 2011, the Company acquired an interest in the capital stock of Cúspide Libros S.A. through AGR. Cúspide Libros has two business areas: retail sales, with 30 branches located throughout the country; and wholesale distribution, which has approximately 1,500 customers. "Cuspide.com" leads the on-line bookstore market. During 2015, the company focused on a growth and expansion plan, whereby it opened 5 new branches in different provinces: One in Puerto Madero, in the City of Buenos Aires, one in the Province of San Luis, one in San Miguel de Tucumán and two in the Province of Buenos Aires, in San Isidro and Cariló.

UNIR S.A. is a company engaged in wholesale mail reception, classification, scheduling, transportation, warehouse, logistics, distribution, and delivery services. As from August 25, 2008, AGEA holds a 93.41% direct controlling interest in Unir.



### CIMECO

CIMECO S.A. 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 2015, Los Andes was actively involved in all major provincial events and put special emphasis on driving the growth of the on-line version, positioning its loyalty program Los Andes Pass and subscriptions, which recorded a 17% year-on-year growth, and boosting the sale of optional products.

La Voz del Interior S.A. has again maintained its leadership position in the printed press and its position as an information and entertainment 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 significant market share in the province of Córdoba. In addition to this, the sectional directories and the sustained growth in the distribution of third party and in-house editorial products have contributed to an increase in contracts with clients. Its web sites position the newspaper as a leader in unique visits and page views in the provinces of Argentina. During the year, the operation of its multi-platform newsroom was consolidated and increased subscription sales. It is worth noting the performance of Club La Voz, the benefit club aimed at the subscribers of the newspaper La Voz del Interior. 26% of the total sales were made through this sales system, 46% above the figure registered in the previous year.

During 2015, Comercializadora de Medios del Interior S.A. (CMI) continued to consolidate its position as the most prominent advertising sales network in the provinces. It has relationships with 40 media companies, some of which are owned by the company and others by third parties. The company focused on key network development. Rumbos magazine, which celebrated its 12th anniversary in the market, is one of its remarkable products, and consolidated as the leading Sunday magazine in the provinces in terms of the volume

and quality of units sold. The site Rumbosdigital, a little more than two years after being launched, had more than 580,000 unique visitors, registering an 81% increase in the last twelve months. Revenues from CMI's digital activities accounted for 22% of its aggregate advertising revenues.

### PAPEL PRENSA

Papel Prensa S.A.I.C.F. y de M. is the first producer of newsprint that is wholly owned by Argentine capital. It started its operations in 1978 and is currently Argentina's major producer. As of December 31, 2014, 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%).





# 03.

BROADCASTING  
& PROGRAMMING

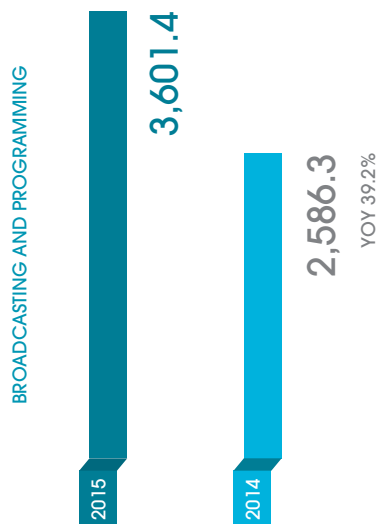
Grupo Clarín is also the leading company in the audiovisual broadcasting and programming segment. Through ARTEAR, it holds the license (LS85 TV Canal 13 Buenos Aires) to broadcast El Trece, one of the two largest broadcast television channels in Argentina, and segment leader in terms of advertising share and prime-time audience share. It also has a presence in broadcast television stations in Córdoba (Telecor), Bahía Blanca (Telba), and Bariloche (Bariloche TV). 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, 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 Mitre AM 810 in the province of Córdoba. Grupo Clarín also has a strong stake in sports commercialization and broadcasting rights, directly and through joint ventures.

Out of Grupo Clarín's total sales in 2015, the Broadcasting and Programming segment accounted for Ps. 3,601 billion, taking into account intersegment sales.

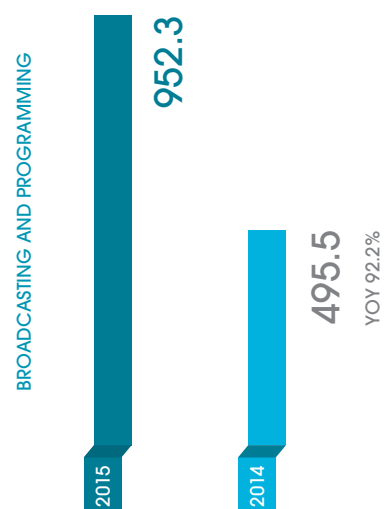
## NET SALES

(In millions of Ps.)



## ADJUSTED EBITDA

(In millions of Ps.)



## ARTEAR

In a scenario marked by industry challenges and strong competition, ARTEAR was able to achieve its goals in 2015.

During the year, there was a tie in audience ratings from Mondays through Sundays from 12 pm through 12 am between Telefe and El Trece. While Telefe reduced its rating by almost 6%, El Trece increased audience ratings with its programming by more than 10%, compared to 2014. During 2015, the sum of audience shares of both leading broadcast channels, Telefe and El Trece, increased by 6% compared to the previous year.

In terms of advertising investment, even though Telefe maintained its share, compared to 2014, El Trece increased its share by 13%.

With respect to the most relevant time slots in terms of advertising investment, El Trece led the Prime Time with 2.3 rating points above Telefe. In addition, for the third consecutive year, El Trece is the channel in the whole country with the highest audience share from 12 pm to 12 am, Mondays through Sundays, with a 13% increase compared to the previous year.

In terms of programming, El Trece combined fiction, news and entertainment embracing a varied offering. "Showmatch", "Las mil y una Noches", "Esperanza mía", "Almorzando con Mirta Legrand", "Los 8 escalones" and "A todo o nada" led audience ratings. "Periodismo para Todos" - a program hosted by Jorge Lanata- was 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 signals, TN registered a 20% increase in total audience share and maintained the highest audience share in the ranking of cable signals, considering a total of 55 signals measured. Several programs particularly stood out, such as "El Juego Limpio", "Odisea Argentina", "Los Leuco", "Código Político", "Desde el Llano", "A Dos Voces" and "TN Central".

ARTEAR further strengthened various television



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 continued to develop its in-house programs and products with broadcast TV format and technology. It was the signal with the highest audience in the variety category.



**OPERATING STATISTICS - BROADCASTING AND PROGRAMMING**

|                                    | <b>2015</b>  | 2014  | YoY   |
|------------------------------------|--------------|-------|-------|
| Advertising Share % <sup>(1)</sup> | <b>39.0%</b> | 37.4% | 4.2%  |
| Audience Share % <sup>(2)</sup>    |              |       |       |
| Prime Time                         | <b>37.3%</b> | 33.3% | 12.2% |
| Total Time                         | <b>30.4%</b> | 26.7% | 13.8% |

(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.



Additionally, in the production section, the most prominent show business and general interest events were broadcast, such as: Foo Fighters, Adele, Lollapalooza, Monster of Rock; Muse; Ariana Grande; Pearl Jam; Morrissey; Cosquín Rock; Homenaje a Gustavo Cerati, Vicentico, Tan biónica, Esperanza mía. ARTEAR also held a new edition of “Un Sol para los chicos” the traditional UNICEF fund-raising event at the Luna Park stadium and broadcast the ceremony of the “Abanderados de la Argentina Solidaria 2015” awards.

During 2015, 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.

During the period, certain investments were made to continue on this path of innovation and technological leadership. During 2015, ARTEAR consolidated its technological leadership position in the market. In times of constant changes, both in the generation of contents and in the proliferation of distribution platforms, technological evolution and diversification have become imperative for ARTEAR. ARTEAR began the construction, the most ambitious of its history, of a space for the production of contents, for all of its distribution platforms, including video edit bays, conference

rooms and common spaces. For this new volume, the company had to design power, air conditioning and connectivity systems to meet its needs. The company designed and acquired the electric and air conditioning systems for this new site. In addition, the company established new workflows that determined the infrastructure required to meet these needs. In this respect, the company implemented a globally unprecedented workstation infrastructure solution that balances workloads according to the work performed by each employee. The company developed, measured and acquired a system for the reception, recording and editing of multiple signals for this area. In addition, it acquired an audio recording system to be used by journalists in ARTEAR’s sites and news programs.

ARTEAR continued to produce fictional content for TV series and motion pictures through Pol-Ka and Patagonik Film Group.

During 2015, Pol-Ka produced the very popular fiction “Esperanza Mia” starring Lali Espósito and Mariano Martínez, and featuring Tomás Fonzi, Natalie Pérez, Gabriela Toscano, Ana María Picchio and Rita Cortese. It had very good audience levels and was aired on ARTEAR during prime time. The company co-produced the miniseries “Signos” together with Turner Broadcasting System, starring Julio Chávez, co-starring Claudia Fontán and Alberto Ajaka, among others.

During the year, ARTEAR began producing the fiction “Los ricos no piden permiso” starring Luciano Castro, Araceli González and Juan Darthés. The production was not only meant to be aired on broadcast television but also to be sold in several markets and/or to be exploited abroad. It also produced “Soy Luna” for Disney Co., which will be aired as from the first quarter of 2016.

Based on successful experiences abroad, the company has set important goals to increase its leading position among the producers of the region. Pol-Ka made significant investments in new technologies and social networks. In this sense, during 2015, it produced the web series “Igual te quiero”, which was a big success.

During the year and as part of the strategy to produce motion pictures, several productions were launched through Patagonik Film Group, which were box-office hits.

The Company also made significant efforts towards developing activities related to the commercialization, organization and broadcast of sports events through TyC Sports and Autosports, mainly football and motor racing. During 2015, the company worked on the restructuring and profitability of its sports businesses and the exploration of new local and regional businesses.





afternoon slot, Ronnie Arias hosts “Sarasa” (from 1 pm to 5 pm), a casual radio magazine with a fresh style that consolidated its position among the audience leaders in this slot. Sergio Lapegüe hosts “Atardecer de un día agitado”, a show that airs as listeners return home from work and combines the best selection of classic tunes with important news. The show “Románticos”, aired from 8 pm to 12 am, ranked first or second in audience ratings within its time slot.

La 100 continued to host acoustic concerts with the most renowned musicians.



Cienradios offers the most prominent on-line radio and content menu in Latin America: more than 500 playlists of all the singers and genres, where users can choose their favorite music. It also recommends singers related to those chosen by users. It offers broadcast radio stations and has alliances with third parties. It offers a wide range of music, content, videos, interviews, shows, games and a premium sound quality.



Mitre AM 810 consolidated itself in the province of Córdoba as the radio with the second highest audience share. With a permanent staff in the city and its own news service, also called “Mitre informa primero”, Mitre AM 810 develops comprehensive coverage of news comprising Córdoba, Argentina and the world. Its programming includes prestigious hosts, such as, Jorge “Petete” Martínez, Rebeca Bortoletto and Juan A. Mateyko, among others.

## Radio Mitre

In 2015, Mitre AM 790 consolidated its leadership position in the raking of audience share of AM radios, with record-high audience shares.

The morning AM radio talk show “Cada Mañana”, from 6 am to 10 am, hosted by Marcelo Longobardi and his team, has maintained its leadership since the first day and reached unprecedented peaks in audience share of 50 points. “Lanata sin Filtro”, the show hosted by Jorge Lanata and a team of journalists from 10 am to 1 pm, also surpassed the 50 point mark. The show can also be watched in high-definition at mitrehd.com.ar. “Encendidos en la tarde”, from 2 pm to 5 pm, hosted by María Isabel Sánchez, Rolo Villar and Tato Young, lead their segment with a fun afternoon show that combines humor, information, and interviews.

From 5 pm to 7 pm, Alfredo Leuco hosts his traditional “Le Doy Mi Palabra”. His editorials are very popular and his show achieved high audience levels. After

that show, Diego Leuco hosts “Volviendo a Casa”, a news show with a casual style to accompany his listeners as they return home from work. The show “Pensándolo Bien”, hosted by Jorge Fernández Díaz, begins at 8 pm. It stands out for his committed editorials and a thorough analysis of reality.

La 100 remained between the first and the second place in audience share of the FM market, with minimum differences, averaging 11.2 rating points. La 100 combines famous artists, and a mixture of music mix and constant innovation, which consolidates its position among industry leaders. In 2015, Guido Kaczka and Claudia Fontán continued to host the show “No está todo dicho” in the first slot (from 6 am to 9 am) of La 100, with a proposal that combines music, news and fun. La 100 continued to air the show “Lalo por Hecho” (from 9 am to 1 pm) hosted by Lalo Mir, an acclaimed radio host in Argentina, and co-hosted by Maju Lozano with her charismatic and cool style. In the





# 04.

DIGITAL CONTENT  
& OTHERS

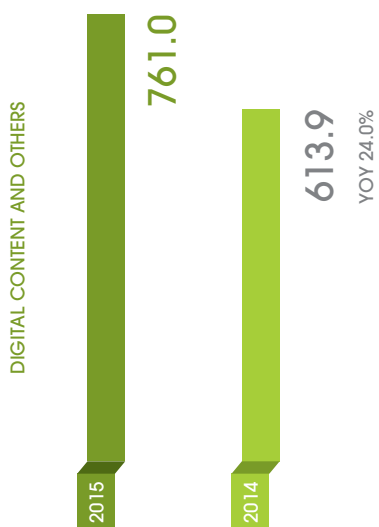
Revenues in this segment are derived from the sale of advertising on some Internet web sites and portals and the provision of administrative and corporate services by Grupo Clarín and its subsidiary GC Gestión Compartida S.A. ("GCGC") to third parties and other subsidiaries. They

also include digital content production through Compañía de Medios Digitales S.A. ("CMD").

Out of Grupo Clarín's total sales in 2015, this segment accounted for Ps. 761 million, taking into account intersegment sales.

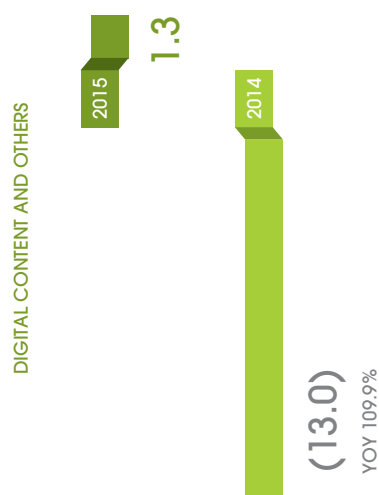
## NET SALES

(In millions of Ps.)



## ADJUSTED EBITDA

(In millions of Ps.)



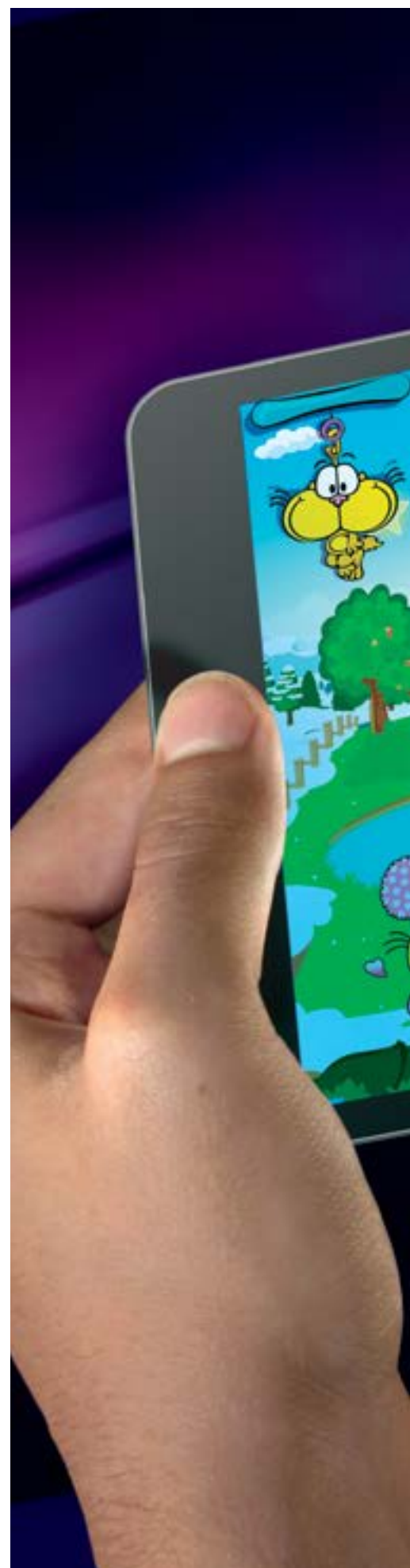
## Digital Content

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. For reasons of corporate strategy, the exploitation of the websites Clarín, Ole, Club Cupón and Imagen was transferred to other companies of the same economic group. At the close of this year, the same happened with the websites Todo Noticias, Cienradios, Ciudad and ElTreceTV. In addition, the Company continued to sell contextual advertising under the brand iAvisos. The company started to exploit the brand Guías Clarín with an individual business model.

CMD holds a 93.32% equity interest in Interwa S.A., a company dedicated to tourism web sites. In addition, through its 51% interest in Clawi S.A., it develops Mundo Gaturro, a successful on-line game, which has become the largest on-line community of children in Argentine history with

more than 12 million registered users and more than 1.3 million children playing each month. It continued with its expansion process to other countries and increased traffic in Chile, Peru, Mexico, Colombia and Spain. During 2015, as part of its ongoing technological evolution, the company launched "Mundo Gaturro App", which allows users to switch from their computers to their mobile devices. This project was entirely developed in-house, with the aim of taking the gaming experience to all screens, assuring quality on every platform and creating thorough experiences.

In addition, CMD consolidated the third year of operations of Tecnología Digital S.A. (TECDIA S.A.), a company engaged in e-business development, in which CMD owns a 95% equity interest. This company is fully engaged in e-business development, with a focus on tourism platforms and on the digital photo development business. In line with its business strategies, during 2015, the company discontinued the online catalogue sales business. This business will be fully exploited through Electropuntonet S.A.



### OPERATING STATISTICS - DIGITAL CONTENT AND OTHERS

|                                | 2015  | 2014  | YoY   |
|--------------------------------|-------|-------|-------|
| Page Views <sup>(1)</sup>      | 783.9 | 752.9 | 4.1%  |
| Unique Visitors <sup>(1)</sup> | 65.1  | 44.4  | 46.5% |

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



ArgenProp  
 Buscainmueble  
 Canal 13  
 Clasificados  
 Clarin.com  
 Cienradios  
 Ciudad

Clarín Blogs  
 ClubCupón  
 Confronte  
 De Autos  
 De Motos  
 Entremujeres  
 Espectáculos

Genios  
 Guía de la Industria  
 Grupo Clarín  
 ¡Eco  
 Imagena  
 Interpatagonia  
 La Razón

Más Oportunidades  
 Mundo Gaturro  
 Nimbuzz  
 Mublet  
 Olé  
 Quieromimúsica  
 Revista Ñ

Shop1  
 Tangocity  
 Tipete  
 TN  
 TN y la Gente  
 Toda Pasión  
 T&C Sports

Ubbi  
 Vía Restó  
 Yuisy  
 VXV  
 Welcome Argentina



CMD also owns a 95% equity interest in QB9 S.A., a company engaged in the development of on-line games for different platforms, with important local and international customers. During the period, QB9 continued with its aim to enter into agreements with entertainment companies for the joint development of new games. In this sense, it continued to work with Lego on a new mobile project and resumed, together with Mattel, the development of HTML5 games. During 2015, QB9 completed the transfer to its controlling company of the digital content and transmedia equipment. This new area is now part of CMD under the name of QB9 Entertainment. It is a logic and necessary step for the integration and synergies of the equipment used to develop games.

CMD holds 100% of the capital stock of Fynbar S.A., a company domiciled in Uruguay. It is engaged in the commercialization of on-line games and the advertising intermediation between advertisers

and on-line site networks. Electropuntonet S.A. is the most recent acquisition, in which CMD increased its equity interest to 54.27% during 2015. Its main activity is the sale of white goods and home appliances through its e-commerce platform.

#### 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 2015, total sales increased by 38.4% compared to the previous year. Business growth was basically sustained by the Payroll Management and Processing service. Risk

management service revenues showed a strong growth of 49%. The company generated new businesses for the provision of Supply, Logistics and General Services and Administration and Finance.

In 2015, the company implemented changes to its structures, processes and working methodologies in the areas of IT and Improvement of Processes and Projects. Both of them are key areas for the support of several services and the creation of value for customers.



### FERIAS Y EXPOSICIONES ARGENTINAS

Created in August 2002, Ferias y Exposiciones Argentinas S.A. is mainly engaged in the organization of events, conferences and fairs. Since 2007, Ferias y Exposiciones Argentinas has been mainly engaged in the organization of Caminos y Sabores, a fair intended to foster Argentina's gastronomy and handicrafts and to promote the region's major tourist destinations. Caminos y Sabores has consolidated itself as one of the fastest growing fairs and has boosted the development of all of its key participants: food producers, craftsmen and representatives of tourist destinations. This year, the eleventh edition was held in July at La Rural with the participation of more than 400 stands, which made up the Rutas Gourmet. More than 70,000 visitors enjoyed a sensorial tour from all over the country in a single place.

There were exhibitors from all over the country, a broad regional representation in the different categories. Caminos y Sabores became a new source of support for entrepreneurs for the production and commercialization of their products in direct contact with consumers.



Expoagro, the annual outdoor agro-industrial fair is held through the FEASA- S.A. La Nación UTE (joint venture), gathering producers from Latin America. It is an outstanding event in which participants may engage in discussions and training, and learn about innovation and businesses in the agricultural sector. The fair is held in different agricultural areas with production potential. In the vicinity of the location at which the fair is held, hundreds of state-of-the-art agricultural machines and equipment used for different jobs are tested, such as: sowing, harvesting, spraying, grain bagging, swathing, rolling, which are extra attractions for visitors and people interested in this type of activities. In 2015, the 9th edition of this fair was organized in the City of Ramallo revalidating its position as the main Argentine agricultural exhibition in a natural environment.





# 05.

CORPORATE  
RESPONSIBILITY  
& SUSTAINABILITY



## 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. Grupo Clarín attaches special importance to the relationship with different audiences that acknowledge and validate its activities every day and, over the years, has established multiple communication and interaction channels with its stakeholders.

From the standpoint of its audiences, readers and society in general, Grupo Clarín's media and journalists work day after day towards fulfilling and consolidating the citizens' 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 its daily work, especially insofar as labor, sustainable development, and human rights are concerned.

Grupo Clarín's adherence to these principles is also outlined in the Company's Code of Ethics and in the Guía para la Acción, a document that proposes models for management, organization and roles, and outlines Grupo Clarín's policies and procedures concerning labor, the environment and human rights.

During 2015, the Company continued to promote the main pillars of its Social Corporate Responsibility and Sustainability Policy in order to extend best practices and set common goals within the organization and its subsidiaries. The

policy also embraces and fosters the adoption of related industry specific standards by its subsidiaries.

Since 2004, the Company has adhered to the United Nations Global Compact in order to systematically address the 10 guiding principles to sustainable management.

Grupo Clarín is also involved in several spaces, that gather global and local organizations and stakeholders in order to share experiences, identify best practices and foster cooperation in specific issues addressed by the media, as part of their social responsibility strategies. During 2015, through its support to the Noble Foundation, the Company also renewed its presence in the "Grupo de Fundaciones y Empresas", a space to share strategic social investment knowledge and standards.

Since 2009, Grupo Clarín contributed to the development of the Global Reporting Initiative (GRI)'s Media Sector Supplement, together with multiple stakeholders worldwide. The GRI's global guidelines for the media, published in May 2012, serve as benchmark for a comprehensive process that is currently underway that seeks to further reinforce, identify and report relevant information on social and environmental performance, as well as to set new goals with the aim of strengthening the Company's sustainability initiatives and strategies. Freedom of speech and transparency are key values for the Company and its professionals. Both principles are particularly relevant in areas related to news services. At Grupo Clarín, each company undertakes a commitment to information and content quality, accuracy and transparency. The coverage of news and the news programs reflect the development of journalistic criteria inherent to each specific outlet and the professionals' commitment to reporting facts and events in a balanced fashion, while allowing the necessary time and space for experts, leaders and the parties involved to express their opinions.



Style guides, ethics manuals and news coverage guidelines, including internal rules and commitments to journalistic quality and journalist responsibility, are the guiding principles of the several activities developed by news and entertainment companies. In everyday practice, this does not mean that each issue is addressed as expected by audiences or in line with the stated goals. Hence, Grupo Clarín's media companies permanently work on the design of new tools and channels that enable interaction with readers and audiences in order to understand expectations, while fostering full adherence to its principles and values with the aim of reaching the highest standards of the industry.

As was the case with previous years, 2015 was also particularly challenging for the press and freedom of speech in Argentina. The Company carried out several initiatives to raise awareness on the matter and showed its commitment to defending and fostering such essential right.

#### INDEPENDENCE AND TRANSPARENCY

Independence is a value. It is the strong foundation of the work done by journalists and the media that allows them to search for the truth without any conditioning factor.

Independence is at the core of Grupo Clarín as a guarantee of the freedom to exercise the journalistic role of its media in the Argentine democracy. Independence is also an assumed responsibility, a way of exercising and guaranteeing rights, a view of sustainability from the Company's standpoint, a daily commitment.

Independence requires transparency. Hence, the information about Grupo Clarín and its subsidiaries, media, shareholders, activities, revenues and investments is public and is available at its web site, at the web site of the Argentine Securities Commission, and at multiple and diverse communication channels with the public, audiences and readers. In this regard, the Company stands out as a pioneer in an environment where most Argentine media companies fail to publicly disclose their financial statements, the sources of their revenues, and fail to reveal the identity of their respective owners.

Advertising is one of the sources of revenues of the media. Historically, due to the scale and diversity of Grupo Clarín's revenues, the significance of official advertising revenues has always been limited so as to guarantee its media and journalists the freedom to report news without any conditioning factor.

Grupo Clarín also has business policies in place concerning its advertisers that foster the existence of diverse and multiple sources of advertising investment as another way of guaranteeing the free and independent exercise of journalism.

Media independence also requires responsible relationships between journalism and the Company's own business interests. Business and editorial functions are clearly separated at Grupo Clarín's media. Special emphasis is placed on the fact that journalists are completely detached from the sale of advertising so as to allow for the free exercise of journalism, free of any risk or conditioning factor. In addition, Grupo Clarín's media specifically focus on the distinction between advertising and editorial space.

As mentioned above, the Company has a Code of Ethics in place applicable to its subsidiaries and employees. The code sets forth standards of conduct and procedures that govern and prevent circumstances that may affect the free exercise of their functions and the transparency of their activities.

#### INFORMATION ON SUSTAINABILITY

In line with its Social Corporate Responsibility and Sustainability Policy, Grupo Clarín identifies the material aspects of its activities following international social responsibility standards applicable to the media, particularly, the GRI's guidelines, and in accordance with the expectations of its multiple stakeholders. Grupo Clarín's materiality analysis serves a starting point to define its corporate sustainability goals and strategy, as well as the daily management of its performance.

As to the scope of the information provided in this section, labor indicators include all of Grupo Clarín's subsidiaries. Environmental performance refers to production or scale operations in which disclosing this kind of information is material. Similarly, some content-related indicators are exclusively applied to subsidiaries engaged in journalistic or entertainment broadcasting and programming activities. As to other indicators, for instance, those related to certain community engagement programs of Grupo Clarín or its subsidiaries that require comprehensive and detailed impact assessments, the information provided is mostly related to the core of the activities inherent to the Metropolitan Area of Buenos Aires, due to the complexity and extension of the processes involved in reviewing and verifying periodic information.





## "THE VOICE OF THE PEOPLE"

Media sustainability depends, to a large extent, on readers and audiences that are aware of their rights and are determined to demand quality journalistic and entertainment content, and on media that are willing to listen to them.

Grupo Clarín's media foster the interaction with its public and audiences, creating listening and discussion channels and tools. Opinion, criticism, tastes, suggestions and comments are expressed through multiple open spaces for content created by the people and for the free expression of the entire diverse and plural society. At a corporate level, within the framework of a complex environment marked by the escalating attacks against independent media, Grupo Clarín also offered multiple communication and interaction channels to discuss specific institutional issues, such as newsletters and spaces on the Internet and social networks, in order to share the latest updates with accuracy and transparency.

The proliferation of new media and technologies revolutionizes journalism day after day and the way in which the public has access to and produces news and other content. These conditions require an open and rigorous look to determine how to face the challenges marked by the digital era, adjusting the Company's business model to meet readers' and audiences' demands, while guaranteeing the sustainability of its activities, without relegating its leadership position.

Grupo Clarín's media companies have assumed a long-standing commitment to audiences and readers. Grupo Clarín's sustained leadership and its privileged position as the people's preferred choice are attributable to its ability to anticipate trends and its vast knowledge of media consumers, paired with its capacity to understand their needs and meet their requirements.

Some segments of Diario Clarín, such as the traditional section entitled "Letters to the Country" and the readership surveys, are supplemented with initiatives to satisfy the people's need to participate in the process of casting news. As part of these initiatives, the company's media strategy of interaction with its readers has been increasingly focused on social networks.

Over the last years, the Company has launched an increasing number of resources and applications and fostered people's contact with journalists. Interaction allows readers, listeners and Internet users to provide and share information. "TN y la gente", an initiative from the news signal TN, is a good example of this, since it allows the audience to send photos or videos captured with mobile devices as an additional way to foster the citizens' involvement in journalism and increase the end user participation in Grupo Clarín's several media.

Grupo Clarín also intends to give a voice to small communities and to foster the development of local content. Through the program "Somos", Cablevisión and ARTEAR have been working together in order to take part in the gradual renewal of TV signals and local news programs in many locations of Argentina. To date, the program has 30 "Somos" signals. The program is based on the concept of access to information and cultural proximity with the people, and introduces state-of-the-art technology and ongoing training to improve local coverage and develop local talents.

"Audióvisuales en la Escuela" is a similar program developed by Cablevisión to facilitate audiovisual tools to public schools with the aim of building content related to the local cultural identity. During 2014 and 2015, 184 students from 8 schools of Rosario, Santa Fe and Buenos Aires participated in the program and produced audiovisual pieces, which, together with other social programs, were broadcast by the local signals of the "Somos" program. After the end of the school year, participants may apply to educational practices at their local signals.

In addition, for more than 30 years now and through its support to the Noble Foundation, Grupo Clarín offers free media literacy tools to thousands of children and teachers in order to foster critical thinking on television, while empowering people in their roles as consumers and content generators.



## SOCIAL AND SUSTAINABILITY COVERAGE

In order to better assess the potential influence of the media on different audiences, Grupo Clarín sets goals to guarantee the quality and diversity of its content. Grupo Clarín's newspapers and news programs have a long-standing and respected reputation for journalistic research and offer comprehensive coverage of news and relevant social and environmental issues. The ability to reflect social diversity -both through the coverage of news and entertainment content- is one of the pillars of its commitment towards the audiences and readers.

Special supplements, experts' and scholars' opinions, on-site news coverage, journalistic talent and the quality of the images and infographics complete the broad variety of issues addressed by Grupo Clarín, including but not limited to health, consumption and development, science, education and preservation. The weekly TV programs, such as, 'TN Ciencia', 'Esta es mi villa' and 'Argentina para armar' broadcast by Todo Noticias, make a valuable contribution to social and scientific issues related to sustainability in a broad sense, and have become leaders and benchmarks in their respective fields.

During 2015, the Company's media continued to develop content related to climate change and the environment. The United Nations recognized the journalist Marina Aizen from magazine *Viva* with an award for the best coverage of climate change. In a gala dinner in New York, the Secretary-General Ban Ki Moon presented the award, for which she competed against media from all over the world. The article that earned her the award was "Hielo Ardiente", which vividly describes the overwhelming changes in the Arctic.

Radio Mitre, Grupo Clarín's main radio station, combined the 24-hour coverage of these issues with "Planeta Mitre, Compromiso Verde", a series of daily brief radio programs hosted by a journalist specialized in the environment aimed at raising awareness on environmental issues, recycling and what each of us can do to make the world a better place.

Also during this period, Grupo Clarín renewed its commitment to the supplement "Gestión Sustentable" (Sustainable Management), published together with *Diario La Razón*, 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. Since 2014, the Company started to support the activities of Fundación Temaikén, a national non-profit organization devoted to the preservation of nature and to environmental education.

The Company continued to support and promote blogs that raise awareness on social issues from its web site, clarin.com. For example, "El Otro, el Mismo" is a blog aimed at the inclusion of people with disabilities, developed in association with the Universidad Católica Argentina and social organizations.

In this regard, the "Calendario del Compromiso con la Comunidad" (Calendar of Commitment to the Community) was published for the tenth consecutive year in *Revista Viva*, a weekly section sponsored by Clarín, the Noble Foundation and Red Solidaria that provides an overview of the social challenges Argentina currently faces, with an emphasis on the potential positive effect that contributions made by individuals and the organizations of the civil society may have in addressing such challenges.



## Calendario del compromiso con la comunidad

CONSEJO DIRECTIVO  
Tel: 23 63 63 63  
www.compromiso.com.ar

**PARA AYUDAR ESTA NOCHEA**  
Asociación del barrio Jorge  
-Representante: Pablo Juan de Lavent  
-Dirección: Diego Lombardi, C.A.B.A.  
-Teléfono: 4700-4075-4700

**Al día con los beneficiarios**  
-Actividad que incluye: OFC que permite dar lugares para el día de la donación que luego serán para el día de la donación. Los niños participan de la actividad que pueden ser recibidos en el día de la donación en la comunidad.

**Comunidad de beneficiarios**  
-Actividad que incluye: OFC que permite dar lugares para el día de la donación que luego serán para el día de la donación. Los niños participan de la actividad que pueden ser recibidos en el día de la donación en la comunidad.

**36 AÑOS DE COMPROMISO**

### Por el derecho a la casa propia

Con una modalidad de trabajo comunitario, la Fundación Vivienda Digna promueve desde 1979 el desarrollo de las familias que viven en condiciones habitacionales deficientes. Conoció sus proyectos y sumó su aporte solidario.

"Somos un grupo de personas que comparten el deseo de trabajar por un mundo más justo". Así se presenta el trabajo de la Fundación Vivienda Digna, una organización social creada en 1979 por María Franca y los Hermanos Salvadori. Desde entonces, según algunos representantes el desarrollo humano a través del acceso a una vivienda digna y saludable es el objetivo.

Conoció también con el nombre de "Instituto Social", la OFC (obra social) a largo plazo y que se centra en el desarrollo de las viviendas de sus hogares. En este punto de la historia, los desarrollos se basan en la construcción de un espacio de la provincia de Buenos Aires. Hoy la Fundación continúa sus líneas estratégicas: desarrollo de proyectos que promuevan el acceso al suelo y la vivienda digna, implementación de trabajo comunitario, fortalecimiento de las capacidades de las familias para mejorar sus condiciones de vida y sus relaciones con la comunidad.

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**INICIATIVAS**  
- Fundación Vivienda Digna  
- OFC (obra social)  
- www.fundacionviviendadigna.org.ar

**VIVIENDA DIGNA EN CIUDAD**  
- OFC (obra social)  
- www.fundacionviviendadigna.org.ar

**¿CÓMO COLABORAR?**  
- Donaciones  
- Voluntariado  
- www.fundacionviviendadigna.org.ar

**Asociación Noble** **RED SOLIDARIA** [www.calendariodelcompromiso.com.ar](http://www.calendariodelcompromiso.com.ar)  
[www.facebook.com/terceroconmovible](http://www.facebook.com/terceroconmovible)

Acknowledging the importance of reflecting diversity, fostering social justice, protecting the youth, encouraging minority recognition and avoiding discrimination on the basis of race and gender are key actions to create content in the media in a responsible fashion. Over the last years, there has been a gradual but sustained increase in the coverage of social issues by Grupo Clarín's media as recorded by several monitoring actions carried out by third parties, particularly, independent media observatories and universities. In 2011, the NGO Periodismo Social and Universidad Austral started to prepare reports on the coverage of children-related news on television in Argentina. In that first year, Telenoche, Grupo Clarín's main news program that leads audience ratings, was identified as one of the news programs that spent more time broadcasting news and giving information on children and young people, accounting for 32.4% of total coverage. In addition, the report stated that more than 54% of the information sources were children and their families.

The following edition of the report revealed that the percentage of children as sources of information increased by 60% and that the topic

of violence decreased remarkably (16% to 29% of the total coverage). Consequently, the news program was awarded the best score among privately owned signals. The report also pointed out that 41% of children-related coverage was specifically addressed to girls, while the other 47% was equally addressed to boys and girls, strengthening the news program's commitment to reflecting gender-related issues.

The emphasis placed on these monitoring processes fits within the framework of an initiative launched by the Company in 2009 that included an review of specialized third party analysis, combined with an ambitious training program oriented to audiovisual journalists, focused on achieving journalistic excellence and raising awareness of the particular features of the main social topics in order to give them responsible treatment in the news.

In its early stages, the project included training for journalists that work on news programs broadcast by provincial signals. In a second stage, Grupo Clarín, together with experts in communications and scholars from said organizations, offered in-house workshops for journalists, editors,

cameramen and journalistic producers that work at all news programs produced by ARTEAR (TN and Canal Trece), in order to provide them with content development tools and to discuss the main challenges imposed by the several aspects of the coverage of social issues on TV and the editorial values that guide day-to-day decisions. This program was the first of its kind to be implemented in an Argentine signal.



### PROMOTING INVOLVEMENT

Nevertheless, when it comes to responsibility and content quality, there is always much to be done in order to identify the potential positive effects that the media may have on a society. In this regard, Grupo Clarín seeks permanently to improve its role in the promotion of the public debate by fostering individual involvement and further describing the social, economic and environmental challenges faced by society with diversity of opinion.

The several media companies that comprise Grupo Clarín also endorse several initiatives that encourage citizens' involvement in democracy and responsible citizen controls on the acts and decisions of their representatives.

Aware of the need to advocate for further respect for republican principles and fundamental human and civil rights, during 2015 the Company continued to foster and raise awareness on the importance of every citizen's right to information and freedom of speech.

In addition, through Diario Clarín, the Company hosted, for the second consecutive year, the series of debates entitled: "Democracia y Desarrollo" (Democracy and Development), which addressed three significant challenges to improve the quality of democracy and public policies, derived from the constitutional system of the Argentine government: Representation, Republic and Federalism. The series of debates was organized in three meetings open to the community, which were held at the Latin American Art Museum of Buenos Aires during 2015, with the participation of prominent speakers and visitors.

In connection with the national elections that took place in October, Diario Clarín developed together with two organizations -Poder Ciudadano and La Red Ser Fiscal- the campaign "Cuidemos el voto entre todos" to raise awareness on the importance of civic involvement and to prevent irregularities during the elections day. In addition to a guide that was published both in the printed newspaper and on its website, it developed a mobile application so that citizens would become "election watchers", sending a report on their experience and informing potential irregularities.



The Company also sought to foster values, such as solidarity and community commitment. Through ARTEAR, in 2015 the Company launched a new edition of “Abanderados de la Argentina Solidaria”, an award that recognizes the work -that would otherwise go unnoticed- done by social entrepreneurs and community leaders, by communicating valuable initiatives, that foster social transformation and may be replicated. The initiative is supported by Ashoka and Fundación Navarro Viola and a panel of outstanding people from the social, academic and cultural sectors. In this edition, there were more than 1,500 applicants and the prize was granted to Tomás Montemerlo, founder of Voy con Vos, who was the most voted by the public and was recognized as the “Abanderado de la Argentina Solidaria” of the Year. He received Ps. 250,000 to continue to promote rural high schools in Tres Isletas, in the Province of Chaco. In addition, Fundación Navarro Viola granted a Special Prize of Ps. 125,000 to Sergio Jurado, for his work in the System of Children and Youth Orchestras in Jujuy.

During the period, Clarín 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 commemorate and raise awareness on the 21th anniversary of the AMIA bombing. The Company also helped to broadcast the event held to commemorate the anniversary of the Israel Embassy bombing that took place in 1992. The Company was once again a sponsor of the Holocaust Museum of Buenos Aires.

In order to promote other campaigns and fundraising events and raise awareness about Argentina’s main social issues, Grupo Clarín donated advertising space to several NGOs. Among the most notable efforts in this regard were the annual Cáritas collection and the Colecta Más por Menos, organized by the Argentine Episcopal Conference and the annual collection of the Food Bank Network, as well as that made by Hospital de Niños Garrahan and Fundación Manos en Acción. It also sponsored Feria de las

Naciones, a fair organized by Cooperadora de Acción Social, which provides support to several Argentine public hospitals.

Grupo Clarín also renewed its support for the traditional campaign “Un Sol para los Chicos”, together with ARTEAR and UNICEF. In 2015, the campaign celebrated its 24th anniversary and raised Ps. 38,103,579 for educational and social programs oriented to children and young people. The campaign is one of UNICEF’s main sources of revenues in the country and also seeks to boost individual donations to social causes in Argentina, which still remain at significantly low levels compared to the US and Europe, on a relative basis.

In order to deal with this issue strategically, and to bolster the impact and scale of its investments in public adds campaigns on its media, Grupo Clarín, in partnership with AEDROS, a specialized entity engaged in fostering fundraising for NGO, designed a campaign to foster civic involvement through a sustained and ongoing economic commitment with organizations of the civil society. In its fourth edition, the campaign Donar Ayuda was largely promoted in audiovisual and electronic media, as well as in newspapers and magazines towards the end of 2015 and early 2016. Individual contributions to NGOs that take their missions seriously are regarded as one of the most effective ways to make a drastic and sustained difference in the lives of many people in need. In addition to conveying this individual commitment message, the campaign also seeks to make a significant contribution to the organizations of the civil society as a whole, which face challenges to their sustainability and independence. In the last edition, Facundo Manes contributed to the campaign with his own findings and other international research that validated the huge benefits to personal health that derive from an attitude of solidarity.



**COMMUNITY ENGAGEMENT AND SOCIAL ADVERTISING**

Grupo Clarín's impact on and relationship with the community and people goes beyond the boundaries of its editorial coverage. The support to vulnerable communities, the coordination of educational projects, and the organization of campaigns to address social issues or to help areas that were hit by natural disasters, paired with Grupo Clarín's sustained commitment evidenced by several types of donations and knowledge transfer, are just some examples of the numerous initiatives organized and fostered by Grupo Clarín's media companies, either jointly or individually.



In response to the growing communication needs and demands from the organizations of the civil society, Grupo Clarín has a multiple approach program in place that combines raising and spreading active awareness of public and social interest topics, by providing advertising space, design and communication services for the NGOs in order to boost the reach of public adds.

With respect to social advertising, during 2015, Grupo Clarín, through the Noble Foundation and several of its media companies, donated a significant amount of advertising time and space to foster causes related to social, civic and environmental issues, through its own social investment programs or within the framework of strategic alliances with prestigious organizations of the civil society.

Among these programs, the Company supported Consejo Publicitario Argentino, which gathers contributions from media, agencies and advertisers engaged in social advertising. During 2015, the focus was on blood drives, the promotion of values ("Respetuosa Argentina") and open dialogue and respect for individual differences.

The Company gave continuity to "Segundos para Todos", a program organized by Cablevisión, in order to donate free advertising seconds to

organizations of the civil society. In 2015, this initiative donated 90,310 advertising seconds to broadcast public adds.

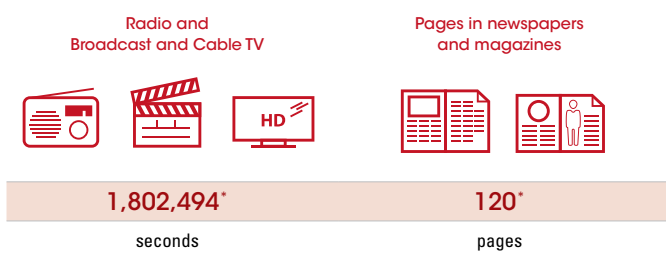
Grupo Clarín has also undertaken a sustained and strategic commitment to bridging the digital gap and promoting the responsible use of the Internet. In December 2015, through Cablevisión and Fibertel, the Company donated 20,614' free CATV connections and 1,373' free broadband connections. The program seeks to contribute to bridging the gap, providing free connectivity to schools and universities, hospitals and health centers, fire stations and security agencies, organizations of the civil society (Foundations and Associations), and children's homes and residential homes for the elderly. Cablevisión's service contribution accounts for an annual in-kind contribution equivalent to Ps. 90.9 million, and is supplemented by specific programs, such as Cablevisión Flex which offers reduced subscriptions to low income neighborhoods. The program Puente Digital is one of the main pillars of the work done in order to bridge the digital gap. The program offers free Internet access to public schools, combined with the integration of new technologies to school teaching. Through this program, the Company seeks to create a multimedia and interactive platform built upon convergence, where TV content will be a tool

to supplement the use of Internet at school. This service is also provided to hospitals, health centers and organizations of the civil society. The initiative also embraces the donation of computers through Fundación Equidad when there is an upgrade in the Company's equipment, which also favors the reutilization of these resources.

The impact of donated advertising space and free Internet access services may be added to the Noble Foundation's Ps. 5.6 million budget for 2015, and to the amount set aside for other social investment programs in several subsidiaries, which reached Ps. 4.6 million in 2015. Hence, the amounts of cash and in kind contributions allocated to social and community investment programs for the period account for aggregate contributions with a value equivalent to Ps. 266.2' million. This estimated figure does not include programs developed by smaller subsidiaries, whose internal information gathering systems related to community actions are under development.

In addition to providing financing, resources, capacity and experience in the promotion of socially valuable initiatives, Grupo Clarín also relies upon third parties to secure regular sponsorships and donations within the framework of strategic alliances related to the sponsored initiatives.

**ADVERTISING SPACE DONATED IN 2015 ON GRUPO CLARÍN'S MEDIA**



THE ESTIMATED IMPACT OF THESE IN-KIND CONTRIBUTIONS ALLOCATED TO PUBLIC ADDS ACCOUNTS FOR THE EQUIVALENT TO A SOCIAL INVESTMENT OF APPROXIMATELY PS. 256 MILLION.

\* The figures of the indicators in this Report may defer from those reported in the Sustainability Report 2015 due to changes in the method of calculation.



## FOSTERING EDUCATION AND CULTURE

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

The Company has renewed its support for the 7th Educational Quality Forum, under the motto "I vote for education". The forum is a massive event organized by Educar 2050, an entity that combines the fieldwork related to the instruction of principals of schools attended by low-income children with extensive public policy advocacy activities. It also promoted a campaign developed by the same organization on education topics related to the 2015 presidential elections.

Together with another 40 organizations, it promoted "Semana de la Educación", an initiative that seeks to bring education topics to the top of the agenda of the Argentine population.

Among the main alliances to foster education, the Company developed specific initiatives, such as the program "Potenciar Comunidades Rurales", with the support of several companies to provide support to local development projects in certain communities under the leadership of Emprendimientos Rurales Los Grobo.

One of the most prominent initiatives resulting from a collective effort is the award "Premio Clarín - Zúrich a la Educación". The seventh edition recognized the best practices in Social Sciences in high schools. The first prize was Ps. 230,000 for the winning school to be able to develop the project. Other two schools were distinguished with 'mentions' and received Ps. 70,000 each. The next edition of the award in 2016 will choose the project that best promotes reading and written and oral work across all subjects of secondary school.

During this period, through the Noble Foundation, the Company continued to donate bibliographical material, and renewed its long-standing support of Escuelas Roberto Noble, named after the founder of Diario Clarín, Roberto Noble.

Again this year, the Company sponsored the annual "Maratón de Lectura" (Readathon) initiative,



organized by Fundación Leer with the participation of over 4 million children. The event received the donation of 21,000 books published by Clarín for reading corners that are awarded by lottery among participating schools. The initiative was promoted through a broad 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), Faena Art Center and Teatro Colón. The Company also sponsored the 2015 season of Teatro Maipo, the presentations in Argentina of Les Luthiers, as well as the campaign "Vení al teatro" organized by Asociación Argentina de Empresarios Teatrales (AADET, for its Spanish acronym), aimed at developing, promoting and reinforcing the emotional bond between the public and the theatre. It also sponsored the film "El Clan", directed by Pablo Trapero, starring Guillermo Francella and Peter Lanzani, which won the 2015 Goya award to

the best Latin American film. In 2015, Clarín once again held the traditional annual ceremony of the "Premio Clarín de Novela" awards. This year the award went to Manuel Soriano for his book "¿Qué se sabe de Patricia Lukastic?", which deals with the complex and competitive world of professional tennis. The winner received Ps. 250,000 pesos and his book was published by Alfaguara -of Penguin Random House Group- and Clarín. Grupo Clarín also sponsored a series of concerts organized by Buenos Aires Lírica Foundation and the IV International Ballet Gala, Amijai and Centro Histórico Teatro Colón.

Through its cable and broadcast TV signals, Grupo Clarín's companies make significant efforts to promote the most relevant cultural, motion picture and sports events and such efforts are an increasing contribution to cultural diversity and local identity. Of particular note are initiatives such as "Volver", the cable TV signal that keeps Argentina's most complete programming archive.

### NOBLE FOUNDATION'S DONATIONS OF EDUCATIONAL MATERIAL

|      | Books  | Magazines | Manuals |
|------|--------|-----------|---------|
| 2015 | 43,391 | 7,212     | 420     |
| 2014 | 49,603 | 4,177     | 310     |
| 2013 | 44,219 | 6,140     | 561     |
| 2012 | 48,900 | 6,660     | 500     |

**MEDIA LITERACY AND PROTECTION OF YOUNG AUDIENCES**

The media play an increasingly important role in society, particularly, in the lives of young people. Through several programs, Grupo Clarín encourages them to develop media access tools through critical thinking and to leverage the opportunities provided by the media and technology to explore their identity, creatively express their ideas and opinions and make their voices heard.

Media literacy is generally defined as the ability to access to, analyze, respond with critical thinking and benefit from, the media. Grupo Clarín's main tool to foster media literacy is its support of "Los medios de comunicación y la educación," (Education and the Media), a pioneer program widely recognized abroad that has been developed for more than 30 years by the Noble Foundation. The program consists of classroom workshops and special educational content suited to the needs of teachers and students oriented to foster a critical approach to the media and their use as resources that supplement formal education.

In order to capitalize on the information gathered at the workshops in connection cultural consumption patterns of the young, the Noble Foundation launched the second edition of the contest #sosVOSenlared aimed at boys and girls between 13 and 18 years of age. The pedagogical purpose of this initiative was to promote critical

thinking about the way in which young boys and girls construct their identity in social networks and review the opportunities and limitations offered by technology in this process. During the contest, the Noble Foundation provided materials and theoretical contents for teachers and activities for students. The contents provided by the Noble Foundation through blogs and social networks are communication spaces that supplement the workshops. The most popular contents are the classroom activities and the opinion articles about several education issues.

Through the Noble Foundation, Grupo Clarín renewed its presence and coordination of the media space in the "Museo de los Niños" (Children's Museum) and continued to offer visits to printing facilities and Diario Clarín's newsroom.

These visits give students and teachers from schools and universities all over the country and the world the chance to experience first-hand the processes involved in news production, the design of publication supporting equipment, the newspaper distribution mechanisms, as well as the environmental approach of the production process. During 2015, 14,579 students and teachers from 274 educational institutions visited the facilities.

These initiatives program are supplemented through other initiatives related to the promotion of responsible content consumption. Within the Cable Television and Internet Access segment, the Company helps to protect vulnerable audiences by providing parents with the tools to make decisions about the content their children are allowed to access.

**THE PROGRAM "LA EDUCACIÓN Y LOS MEDIOS DE COMUNICACIÓN"**

|      | Workshops for teachers | Workshops for students |
|------|------------------------|------------------------|
| 2015 | 100                    | 294                    |
| 2014 | 102                    | 233                    |
| 2013 | 120                    | 441                    |





This includes several parental control options. For cable TV services, the on-screen guide allows parents to easily block content that is not suitable for children by introducing a PIN. The Video On Demand platform includes the identification of adults-only services with access control systems that may be enabled by the subscribers. In terms of protection of audiences in Internet, the Company developed Fibertel Security. With this tool, users may filter the access to certain web sites deemed inappropriate and customize the protection level for each family member, among other things. In addition, adults may restrict the use of Internet by setting specific days and times. Adult users have a password that enables them to turn the control off and freely access the Internet, as well as to change all of the software configuration settings. Every time the operating system is rebooted, the service returns to its active status to prevent an eventual oversight.

These tools are provided with information and criteria on how to use Internet. Cablevisión launched the program "Compás para el uso de Internet" in partnership with UNICEF and Chicos.net. This project, specifically addressed to families and teachers, is intended to provide proposals to teach children and teens about the proactive, responsible and safe use of technology. The topics discussed

in this program include digital citizenship, on-line security, data protection, content diversity, respect for information sources and awareness on cyber-bullying and discrimination. The initiative includes the development of an information portal ([www.programacompas.com.ar](http://www.programacompas.com.ar)), tools for journalists, relationship with elementary schools and publication of citizenship awareness information through the media. Fibertel developed an investigation about the behaviors and insights of boys and girls over the Internet and the role of adults in Argentina, Mexico and Brazil. The information gathered allows the company to work on strategies aimed at protecting and raising awareness based on sound knowledge. The findings of the investigation were published in February 2015 on the International Safer Internet Day.

The Company also addresses responsibly children's artistic participation in the television and film industry; a category that was embraced by the ILO as a valid form of participation in labor activities by children in these age categories. To such end, special emphasis is placed on compliance with the applicable standards in force, while adhering to internal guidelines that set limited activity schedules, protection and promotion of school education and active involvement of parents and tutors.

## EXCELLENCE IN JOURNALISTIC TRAINING

In order to reaffirm the commitment to journalistic excellence, Grupo Clarín also carried out activities aimed at consolidating the training and excellence of current and future communicators.

In this sense, the Company provided support to the Master's 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. Year after year, this renowned training program gathers professionals from Argentina and other Latin American countries, and also offers scholarships linked to outstanding performance.

In this same regard, the Company helped to promote and support the Graduate Program in Digital Journalism organized by Universitat Pompeu Fabra, TN.com.ar and Google. With the current edition of this state-of-the-art program underway, the Company reinforced its commitment to enhancing the quality of professionals in the 2.0 world.

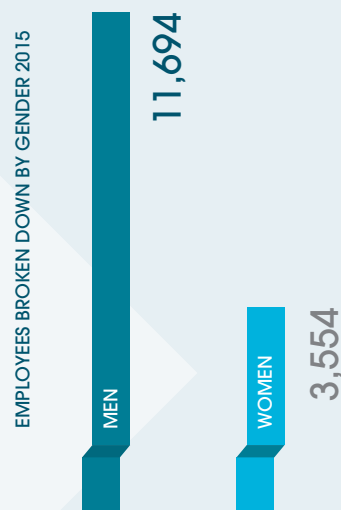
In connection with journalistic training and within the framework of the program "Somos" developed by ARTEAR and Cablevisión, during 2015, Grupo Clarín offered regional training sessions that reached approximately 50 local signals. Training sessions focus on the journalistic and technical training of professionals from regional signals nationwide, in which the company invests to provide state-of-the-art technology as well as top-of-the-line training opportunities to improve local coverage.



## OUR PEOPLE

Grupo Clarín's success and leadership are mostly the result of the efforts, talent, professionalism and creativity of its employees. Grupo Clarín's media companies are among the preferred workplaces of most 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 the project of Grupo Clarín.

TOTAL HEADCOUNT  
AS OF DECEMBER 31, 2015 **15,248\***



EMPLOYEES BROKEN DOWN  
BY AGE GROUPS 2015

|       |        |
|-------|--------|
| <30   | 2,734  |
| 31-50 | 10,246 |
| >51   | 2,268  |

EMPLOYEE TURNOVER  
RATE 2015 **-2.51%\***

EMPLOYEE DISTRIBUTION BY CATEGORY 2015\*

|                                   |       |
|-----------------------------------|-------|
| Directors and Managers            | 235   |
| Middle management                 | 2,196 |
| Analysts and administrative staff | 5,698 |
| Technical staff                   | 5,620 |
| Other                             | 1,499 |

\* The figures of the indicators in this Report may defer from those reported in the Sustainability Report 2015 due to changes in the method of calculation.



The Company has its own structure in terms of the age and gender diversity of its employees. With respect to gender, there is a noticeably higher proportion of male employees, mostly on account of the high number of employees required in the technical areas of printing facilities and of the cable TV and Internet access segment. In Argentina, technical specialties are predominantly elected by men, and that pattern is reflected in the payroll of this type of industry.

The gender structure in the rest of the business segments of Grupo Clarín is well-balanced considering the total workforce, with a deficit in managerial positions, which are still mainly occupied by men. However, the Company has attained excellent results as far as gender equality is concerned in content-related activities, particularly in the areas related to journalism and audiovisual production, where the workforce is more diverse.

During 2015, the Company worked on a program aimed at supporting women and families. The first step was the installation of a state-of-the-art lactation room at AGEA's main office. This room was endorsed by Fundalam, a leading NGO in this field. The company also created a breastfeeding support group composed of women employees. In addition, on Mother's Day, several articles and a special supplement on breastfeeding and the

workplace were published in Grupo Clarín media to raise awareness on this issue.

At the same time, the Company seeks to foster hiring young, first-time job seekers and people in the upper age group who contribute their experience. The Professional Development Program, the guided visits to the Zepita facility and to Cablevisión, as well as the program "Audiovisuales en la Escuela", are good examples of these initiatives that seek to foster the articulation between formal education and the workforce, by encouraging young people to complete their high-school studies as a necessary condition to get a job. Gestión Compartida, a company which, among other things, provides employee recruitment, selection and training services to the companies of Grupo Clarín and third parties, is engaged in promoting and developing job opportunities for people over 45 years of age, both in its daily work as well as through partnerships with social organizations that share the same focus.

In terms of employee turnover, the Company and its subsidiaries maintain market ratios, particularly in connection with permanent employees. However, the consolidated media turnover ratio usually reflects certain particular features of the industry, which is influenced by factors such as seasonality and involvement of specific technical or artistic employees during certain periods. These employees do not terminate their relationship

with the company; instead, they have temporary employment agreements related to special products inherent to the programming activity.

The Company fosters an open dialogue with union representatives facilitating mutual understanding and conflict resolution. Employees freely exercise their right to unionize and are currently represented by several unions related to each of the activities developed by Grupo Clarín and its subsidiaries. Out of Grupo Clarín's total employees 74% is covered by collective bargaining agreements.

Taking care of the work environment and conditions, health and job safety and employee training to enhance their professional skills are some of the actions aimed at consolidating the sense of integration and achievement of organizational goals.

The work environment survey is one of the key tools employed to gather opinions on the Company's performance in this regard. The survey is conducted periodically at Grupo Clarín's subsidiaries on a global basis and as a cross-section of the group's companies. This process serves to identify sensitive issues and opportunities for internal improvement. Based on the results of the survey, the Company designs action plans, communication channels and training programs in order to set new goals for the coming year. During 2015, the survey achieved a record level of responses (90%). In a complex



environment for the Company and its employees, the figures achieved in the work environment category remained strong and the figures achieved in the commitment category were above 62% on average. Leadership indicators also maintained high scores.

In 2015, Grupo Clarín continued to develop its Corporate Volunteer Program, with global actions and other actions inherent to each subsidiary. Under the name "Vos también", the program seeks to develop and consolidate in an inclusive fashion valuable initiatives for employees' solidarity actions that have a positive impact on the community while contributing to the Company's organizational environment. During 2014, the program was implemented in 8 business units, including the corporate areas, and its impact was extended to 10 provinces. According to its main indicators, volunteers devoted 7,522 hours of work, with a global engagement rate of 12.3%. All program actions were carried out in partnership with social organizations to shift the benefits derived from the experience to the civil society. During 2015, the program partnered with 63 NGOs and reached 1,660 people.

Through these initiatives, volunteers had the chance to collaborate with several programs and topics. The main projects carried out during the year were the following: "Donación de Sangre", a project that seeks to foster solidarity in the area of health; Volunteer actions to help the people

affected by floods; "Tu cuadradito abriga", Give and Gain Week, "Construyendo Escuelas", and the construction of housing with the NGO Vivienda Digna, among others. A cross-cutting action was proposed to all of Grupo Clarín's business units: Fin de año en Familia, a family support program that consists of delivering Christmas gift boxes to low income families. The program "Vos También" had a very high satisfaction level among participants: 99.08% of the participants found it rewarding or very rewarding and a similar percentage stated that they would participate again.

Grupo Clarín also put special emphasis on multiple internal communication tools, such as the magazine Nuestro Medio, the digital newsletter named Nuestro Resumen and the Corporate Training Program and the Company Climate Management newsletters, as well as internal communication spaces and notice boards. During 2015, Grupo Clarín continued to improve the new version of the Corporate Intranet, a channel to maintain a smooth internal communication among all the employees of the Group and continued to develop the corporate chat tool, which is a new meeting point among employees to share resources and streamline internal processes. 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.



#### "VOS TAMBIÉN" VOLUNTEER PROGRAM IN 2015\*

|                                    |       |
|------------------------------------|-------|
| Volunteers                         | 1,804 |
| Participating social organizations | 63    |
| Direct beneficiaries               | 1,660 |
| Hours of volunteer work            | 7,522 |
| Employee's engagement              | 11.8% |
| Provinces included                 | 10    |

\* The figures of the indicators in this Report may defer from those reported in the Sustainability Report 2015 due to changes in the method of calculation.



## BENEFITS AND CAREER DEVELOPMENT

Even though a large number of benefits are common to all employees, each Business Unit grants additional benefits, which may differ based on their respective activities. During 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 January 2008.

The Company continued to offer the program “Nuestros Beneficios” for all the employees of Grupo Clarín. This program combines the efforts of various Business Units to offer benefits and discounts, which included clothing, restaurants, education programs, entertainment and tourism, for all the employees and their families, available through an exclusive portal.

In order to build new skills and reinforce existing strengths, employees need motivation and support. The Company made further efforts to increase the scope of and improve the performance review program of employees in several job categories. During 2015, the Company worked on the development of a Performance Management system (CEL- Crecimiento de la Efectividad Laboral), a space where bosses establish an ongoing feedback mechanism with their teams, focusing on strengths and opportunities for improvement that arise on a daily basis. It allows them to work on the expectations regarding management performance and behaviors and skills according to the role and function, conducting follow-ups of the proposals for improvement and closing the cycle with an interview to provide feedback.



Training arouses the interest of the company and its employees. Employees receive training to attain results for the Company, and at the same time the Company fosters their growth, enhancing their knowledge and skills. Grupo Clarín invests in training, with two types of programs. On the one hand, the training programs of each Business Unit, focusing on the specific needs of each activity, whereby Grupo Clarín employees and professional staff can update and enhance their knowledge and skills through seminars, courses, graduate studies and master's degrees. On the other hand, Grupo Clarín offers the Corporate Training Program (PCF, for its Spanish acronym), which includes a wide range of training proposals. During 2015, the Company offered new alternatives to improve the performance of the analysts and middle management of all the companies of Grupo Clarín.





During the year, 570 employees participated in the 28 courses given as part of the Corporate Training Program.

Training management is currently focused on planning new tools and technological developments in order to train employees on how to face the challenges imposed by the changes in the media industry. During this period, the Company offered more sessions of the course entitled "Inducción a la Era Digital", which seeks to shed light on the way in which technology has changed the world of business, generating big opportunities and challenges for the companies. In this sense, another highlight is the Executive Program developed together with Universidad de Palermo: "Negocios del Mundo Digital".

The purpose of this program was to generate triggers building on premises about the organization and the integration of the digital world into the traditional world, to foster an integrated working environment among the different areas of the company, to provide methodological tools to generate digital thinking, and to achieve an interaction among all the elements seeking to improve the relationship with customers, exploring the available tools to streamline the communication process.

In order to provide training to middle and upper management seeking to foster key managerial competences and skills, in 2015 the Company developed the Management Development Program together with UADE Business School. This program provided knowledge and tools

that empowered participants to improve their managerial skills in their area or team and to share their best practices among the top executives of the best companies and, in turn, learn the new trends of the academic world. The Company also organized several training sessions, breakfast and lunch meetings and integration activities among different areas of the Company that work together in order to strengthen internal communication and knowledge. During the period, the Company continued to provide English courses to those employees that need language skills for their work. In addition, different groups were created to provide group classes in a dynamic and easy fashion so that participants may share their knowledge, grow together and boost their development.

Grupo Clarín and its Business Units offered seminars and training programs about health issues and the prevention of illnesses and accidents, as well as other relevant topics, which supplemented the special campaigns about health issues and medical check-ups. Several initiatives were implemented to promote healthy lifestyle habits: vaccination and blood drives, meditation and yoga workshops, placement of bicycle racks and locker rooms, soccer tournaments, evacuation drills, healthy menus and talks about first aid.

#### RELATIONSHIP WITH THE SUPPLY CHAIN

Grupo Clarín's Social Responsibility management is embedded in the relationship with its value chain. During 2015, the Company continued to explore alternatives of interaction or joint

approach to common-interest issues at the various levels of relationship with its suppliers.

Grupo Clarín focused on the implementation of systems and procedures aimed at the application of best practices for purchases, employee hiring, and contracting with suppliers within a framework of supervision and transparency.

During the year and through Gestión Compartida, a subsidiary engaged in managing the relationship with most of the Company's suppliers, the Company initiated a tool redefining process, which, among other things, established the requirement for 100% of the new suppliers to undertake a commitment to the sustainability of their operations, with a focus on respect for human rights, the environment and compliance with effective regulations. This was coupled with sustainability training workshops aimed at the procurement area and the development of programs to work together with the suppliers into incorporating social criteria at different points of the supply chain.

Through this process, the Company expects to develop its own record of sustainable suppliers, strengthen process audit areas and foster sustainability as a management strategy oriented to related third parties.



# ENVIRONMENT

During 2015, the Company continued to implement measures to identify, plan for and improve production processes in order to optimize results and react to potential impacts.

Progress was made in achieving the period's goals by introducing sustainable methods to obtain and use resources, developing equipment investment policies, raising active awareness on the appropriate use of supplies and technologies and promoting the adoption and certification of environmental standards.

Since 2004, Grupo Clarín has adhered to the United Nations Global Compact that sets forth several environmental protection standards. The Compact requires that companies:

**(Principle 7)**

Adopt a preventive approach to environmental challenges;

**(Principle 8)**

Take initiatives to foster increased environmental responsibility; and

**(Principle 9)**

Foster the development and promotion of environmentally-friendly technologies.

In addition, Grupo Clarín's Social Corporate Responsibility and Sustainability Policy serves as a management guideline and drives the definition of goals for its subsidiaries. This is reflected in the environmental policies adopted by its subsidiaries, such as the one implemented by AGEA in 2012, which combines the improvement of environmental management with ISO 14001 certification and implementation for its production processes; or AGR's FSC certification, which allows that company to guarantee the certification of the chain of custody of the paper used, from its manufacture until the printing process has been completed.

**CONSUMPTION, NEWSPRINT AND ENERGY**

Within the framework of an environmental management policy oriented to eco-efficiency, the Company and its subsidiaries mainly use energy, newsprint, cable and other technology-related elements.

**USE OF MATERIALS IN 2015\***

|                                              |                |
|----------------------------------------------|----------------|
| Paper                                        | 48,132 Tons    |
| Ink                                          | 931.25 Tons    |
| Aluminum plates                              | 207.25 Tons    |
| Residential connection cables                | 2,865,620 Tons |
| CPE (Set-top units and customer's equipment) | 1,240,001 Tons |

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

Papel Prensa, a subsidiary in which Grupo Clarín owns an indirect minority interest, supplies most of the newsprint used in newspaper printing.

Papel Prensa has put in place production policies based on the procurement of strategic inputs without depleting natural resources. To this end, the paper mill recovers raw materials from the recycling of returned newspapers in order to produce more newsprint and reduce the use of virgin fiber. The type of fiber source (aspens and willows) depends on the availability of materials and economic considerations concerning freight distance minimization, a key economic and environmental issue. However, it should be noted that fresh fiber comes from sustainable plantations. In addition, ongoing research studies are conducted concerning genetic enhancement of tree species and environmental and forestry aspects. Such research is conducted through agreements with universities, research centers and specialists in order to boost productivity, cut costs and guarantee ecosystem sustainability.

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Papel Prensa's forestry department conducts its activities with a sustainability strategy in mind to protect biodiversity. Birdlife has experienced a sustained increase as a result of forestry protection actions and a ban on hunting. These conditions encourage the design of several research and development programs, also in conjunction with universities, including the introduction, production and reproduction of certain endangered deer species for their adequate and safe development.

As to the types of inks used at the printing facilities, the diverse variety of printed products requires a varied approach from the perspective of resources. For instance, the use of vegetable-based coldset ink at the Company's main printing facility, accounts for 84.4% of total use of the input. This type of ink, which can be used in bond paper, is environmentally friendlier due to its vegetable components and its efficiency in terms of the amount of ink required to print, which may be 10%-15% lower than other inks. As another way to reduce the environmental impact, the Company streamlines its resources through the selection of printing techniques. For instance, since 2008 AGR has successfully introduced stochastic printing at its premises, significantly reducing the number of inks required for the printing process.

The Company has also specialized and qualified professional teams that work towards the goal of reducing material consumption, identifying and adopting increasingly efficient processes related to the environment. The newspaper size adjustments introduced in previous years continue

to reduce the use of newsprint and other materials. The Cable Television and Internet Access segment is engaged in service activities, which essentially do not require the use of raw materials, as opposed to the industrial processes run by other segments. Nevertheless, given the scale of operations, Grupo Clarín's companies use certain materials produced by their respective value chains, such as the cable for residential services installed during the period, top-set units delivered under loan for use and poles used as part of the distribution network.

Power is the main additional resource used by Grupo Clarín and its subsidiaries. Grupo Clarín uses power from direct and indirect sources. Even though the Company has alternative power generators in place for offices and industrial facilities that require fuel, the main indirect consumption is the electricity provided by the power supply network.

The subsidiaries engaged in printing activities are the heaviest users of power, followed by the business units that use technology in their operations, such as the cable TV and Internet access distribution services and audiovisual programming services. In this area, ARTEAR has policies in place for the ongoing development of innovation resources to reduce the use of electricity at its premises. The main initiatives in this regard include the introduction of cold lighting systems in all new and remodeled TV studios, which allows a fivefold reduction in the power ARTEAR normally used for lighting.

The Company also renovated its buildings in order to make better use of natural light and installed energy-efficient linings. In line with its goal of staying at the forefront of new technology, ARTEAR continued to invest in equipment manufactured under environmentally friendly standards, in order to meet the need for High-Definition (HD) programming and distribution. In addition, the Company continues to monitor the consumption and impact of ARTEAR's outside broadcast units. Since 2012, its fleet is fully composed of Diesel vehicles, which consume less fuel.

At Cablevisión, energy from indirect sources is mainly used for temperature adjustment, workroom ventilation and lighting and for the operation of data transfer networks and equipment. Hence, Cablevisión introduced technologies in its main building to reduce the amount of energy used in lighting (through efficient electrical devices and motion sensors at meeting rooms) air conditioning and smart elevators.

**DIRECT AND INDIRECT USE OF POWER BY PRIMARY SOURCE IN 2015:**

|             |                |
|-------------|----------------|
| Electricity | 79,930,470 MWh |
| Natural gas | 91,651.84 GJ   |
| Gasoline    | 68.148 GJ      |
| Gas oil     | 62,544.44 GJ   |
| CNG         | 139.44 GJ      |
| LP gas      | 0 GJ           |

## WASTE AND EMISSIONS

Grupo Clarín's subsidiaries develop most of their activities in urban areas that are not in contact with natural areas and that meet effective urban planning standards.

As to emissions, printing facilities have the most significant impact on the carbon footprint. Therefore, the Company is permanently exploring alternatives to improve processes and efficiency in these areas and to further deepen the analysis and inventory of CO<sub>2</sub> emissions generated by the activities developed by the several subsidiaries. The main strategies available to reduce greenhouse gas emissions entail cutting consumption or changing power resources, for instance, by making more intensive use of renewable fuel and bio-energy.

Each subsidiary of Grupo Clarín identifies and manages waste production and disposal.

As part of the treatment of industrial waste from printing processes, the Company's subsidiaries collect and separate certain waste materials, such as ink, oil, grease and solvents, that are sent to third party facilities for their recycling, reuse or safe final disposal. Hazardous waste is subject to a rigorous treatment handled by licensed waste management companies. At the same time, the Company continues to develop strategies to reduce hazardous waste and has made significant progress. Fully reusable aluminum plates are used in the printing process.

In the Cable TV and Internet access segment, waste is separated at origin in order to add social or environmental value, where practicable. With respect to recycling, the Company keeps strict control of the recovery of equipment delivered to subscribers under loans for use, such as top-set units and remote controls, in order to reuse them or ensure its safe final disposal, and also to reduce the consumption of this type of equipment.

Special care is given to effluents resulting from the printing facilities' development processes, which are subject to rigorous treatments and measurements before disposal. A water re-usage system was put in place at the Zepita facility. Under its Environmental Management System, the Company significantly reduced effluents, which are only discharged in exceptional cases. At La Voz del Interior's printing facilities, waste water is subject to treatment and is then reused for irrigation or as part of the production process. The water discharge figures disclosed below are mostly attributable to processed water that can be safely used for irrigation. The Company's office buildings and other facilities only discharge domestic waste water.

Also in terms of recycling, Grupo Clarín continued to reaffirm its contribution to Fundación Garrahan through an office-paper recycling program. Such arrangement was combined with other programs to reduce the use of paper at the Company's

offices, while seeking to streamline printing techniques; in addition to the Company's renewed efforts to raise sustainability awareness among employees.

The Company donates technological equipment to institutions that receive free Internet connection from Fibertel and to other institutions located in vulnerable communities. In addition to making another contribution towards citizen connectivity and access to technological equipment, the Company seeks to contribute to environmental care by reusing equipment. During 2015, the Company also donated 411 technological equipment units to Fundación Equidad.

Additionally, the Company continued to support and sponsor projects related to the care and protection of green areas by sponsoring and contributing to the preservation of the parks Plazoleta Dr. Roberto Noble in the city of Buenos Aires 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.

### TOTAL GREENHOUSE GAS EMISSIONS BY WEIGHT IN 2015\*

|                    |                                  |
|--------------------|----------------------------------|
| Direct emissions   | 13,722.20 Tn of CO <sub>2</sub>  |
| Indirect emissions | 42,327,322 Tn of CO <sub>2</sub> |
| Total emissions    | 42,341,045 Tn of CO <sub>2</sub> |

### TOTAL WASTE WEIGHT BY TYPE IN 2015\*

|                              |             |
|------------------------------|-------------|
| Urban or non-hazardous waste | 9,706.01 Tn |
| Hazardous waste              | 587.13 Tn   |

### TOTAL WASTE WATER DISCHARGE

|                                |                       |
|--------------------------------|-----------------------|
| at printing facilities in 2015 | 18,355 m <sup>3</sup> |
|--------------------------------|-----------------------|

\* The figures of the indicators in this Report may defer from those reported in the Sustainability Report 2015 due to changes in the method of calculation.





## RISK FACTORS

As an Argentine multimedia company, Grupo Clarín is exposed to a wide range of risks related to the country and to its operations. 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. The trend was later reversed, with real GDP growth reaching 9.1% in 2010 and 8.6% in 2011. In 2012, real GDP growth declined to 0.9%. While real GDP grew by 2.9% in 2013, towards the fourth quarter of 2013 the economy already showed signs of decline (based on data published by the National Institute of Statistics and Census -INDEC-). In 2014, real GDP showed no growth for the first time since 2002. According to figures published by the INDEC, in 2015 GDP increased by 2.1%.

In addition, in December 2015 the Government introduced additional flexibility to foreign exchange regulations, allowing the Argentine peso to float freely against other currencies. This resulted in a devaluation from Ps. 9.83 per U.S. dollar on December 16, 2015 to Ps. 13.01 on December 31, 2015. Since then, the Argentine peso has continued to fluctuate with an upward trend, reaching a high of Ps. 15.95 per U.S. dollar on March 1, 2016.

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:

-Exchange rate volatility and depletion of Central Bank international reserves;

-Increase in current inflation affecting competitiveness and economic growth;

-Recession, low economic growth or economic uncertainties affecting Argentina's main trading partners;

-Insufficient levels of investment;

-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;

-Government imposed restrictions on imports or exports;

-Wage, price and foreign exchange 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

On November 22, 2015, Mr. Mauricio Macri was elected President of Argentina, signaling the first change in the political party in charge

of the country's administration in twelve years. Macri took office on December 10, 2015, and immediately announced several significant policy reforms, including:

**-INDEC reforms.** Review of the methodologies applied by the national statistics bureau in the calculation of macroeconomic statistics, with particular focus on the consumer price index. While it is expected that the new indexes will reflect real inflation more precisely, there is uncertainty as to whether official data will be sufficient, when such data will be published and what effect these reforms will have on the Argentine economy;

**-Foreign exchange reforms.** Reforms aimed at providing greater flexibility and easier access to the foreign exchange market;

**-Foreign trade reforms.** The elimination export duties on wheat, corn, beef and regional products, the reduction of export duties on soybean and the gradual elimination on limitations to access the foreign exchange market for new transactions, and

**-Infrastructure reforms.** An infrastructure master plan including highways, railways, waterways and energy production, including the declaration of a state of emergency of the national electrical system until December 31, 2017 and the reexamination of energy subsidy policies.

The impact these and other future measures adopted by the Macri administration will have on the Argentine economy as a whole and the media industry in particular cannot be predicted. We believe that the effect of the gradual liberalization and opening of the economy will be positive for our business, but it is not possible to predict the extent of such effect, if any, or any temporary or medium to long term disruptions that may affect the economy if the measures adopted are unsuccessful.

In addition, there is uncertainty as to which of the measures announced during the Presidential campaign, will be adopted and when. In particular, we cannot predict how the Macri administration will address certain other political and economic issues that were central during the presidential election campaign, such as the financing of public expenditures, public service subsidies and tax reforms, or the impact that any measures related to these issues that are implemented by the

Macri administration will have on the Argentine economy as a whole. Moreover, political parties opposed to the Macri administration retained a majority in the Argentine Congress in the recent elections. This will require the Macri administration to seek political support from the opposition for its economic proposals and creates further uncertainty in the ability of the Macri administration to pass any law that may be necessary to implement its intended policies.

Our financial condition and results of operations depend to a significant extent on macroeconomic and political conditions prevailing in Argentina. Measures adopted by the Argentine government that impact upon the economy, including those measures related to monetary policy, inflation, interest rates, price controls, exchange controls and taxes, have affected and could continue to affect Argentine companies like ours. Uncertainty about the possible success or failure of the measures to be adopted by the new administration could lead to volatility in the market prices of securities of Argentine companies, including companies in the media sector, such as ours. We have also been the target of legislation passed to regulate the Media Industry and capital markets, which has also affected our activities in recent years. See "Legislation and Regulation of the Media Industry" and "Capital Markets Regulations."

### a. Inflation

Argentina has confronted inflationary pressures since 2007, evidenced by significantly higher fuel, energy and food prices, among other indicators. According to inflation data published by the INDEC, from 2010 to 2015, the Argentine consumer price index increased 10.9%, 9.5%, 10.8%, 10.9%, 23.9% and 11.9% in the ten month period ended October 31, 2015, respectively; and the wholesale price index increased 14.6%, 12.7%, 13.1%, 14.8%, 28.3% and 9.6% in the nine-month period ended September 30, 2015, respectively. However, since 2007, the INDEC has experienced a process of institutional and methodological reforms that have given rise to controversy with respect to the reliability of the information that it produces. In December 2013, the Argentine Government announced the implementation of a new methodology for the calculation of price indexes, designed in cooperation with International Monetary Fund ("IMF") experts. The IMF had stated in previous reports that their staff used alternative measures of inflation for macroeconomic surveillance,

including data produced by private sources, which had shown inflation rates considerably higher than those published by the INDEC since 2007. In a meeting held on February 1, 2013, the Executive Board of the IMF issued a declaration of censure in connection with Argentina's failure to make sufficient progress to adopt remedial measures to address the inaccuracy of inflation and GDP data.

The new methodology announced in 2013 was applied to the calculation of price indexes starting in January 2014. Even though it brought inflation statistics closer to those estimated by private sources, there is still a material difference between official inflation data and private estimates. According to figures published by members of Congress from opposition parties based on private sources, the average inflation estimate was 25.6% for 2012, 28.3% for 2013, 38.5% for 2014 and 27.9% for 2015.

On December 22, 2015, the Government replaced the leadership of the INDEC. In order to revise existing methodologies, the Government temporarily suspended INDEC's publication of main indicators such as inflation, GDP, poverty and unemployment due to INDEC's lack of resources and processes to provide reliable figures. The new authorities of INDEC are currently working on a reliable CPI index, which is expected to be published in the course of 2016. It is also

expected that the INDEC will implement certain methodological reforms and adjust certain macroeconomic statistics in order to provide reliable figures in the future.

Since 2007, inflation in Argentina has contributed to a material increase in our operating costs, in particular labor costs, and negatively impacted our results of operations and financial condition. There can be no assurance that inflation rates will not continue to escalate under the new Government, or what effects the measures adopted or that may be adopted in the future by the newly elected Government to control inflation may have.

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 the competitiveness of Argentina's manufacturing and service industries 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 access to financing, and may negatively impact our financial condition and results of operations.

#### **b. Foreign Exchange Controls, Devaluation and Central Bank Depletion**

During the second half of 2011 and in 2012, the Argentine government increased controls on the incurrence of foreign currency-denominated indebtedness, and the sale and acquisition of foreign currency by local residents. New regulations issued in 2012 subject foreign exchange transactions to prior approval by Argentine tax authorities. Formal and informal foreign exchange controls continued throughout until December 2015, practically closing the foreign exchange market to retail transactions. Until mid-December 2015, it was widely reported that the peso/U.S. dollar exchange rate in the unofficial market and in neighboring markets where the peso was traded differed substantially from the official foreign exchange. A few days after taking office, on December 16, 2015, the newly elected Government announced and is in the process of implementing a number of reforms to the foreign exchange market that are expected to provide greater flexibility and easier access to the foreign exchange market, such as: (i) the elimination of the requirement to register foreign exchange transactions in the AFIP's Exchange Transactions Consultation Program, (ii) the elimination of the requirement to transfer the proceeds of new financial indebtedness transactions into Argentina and settle such proceeds through the official foreign exchange market (MULC), (iii) the reestablishment of the US\$2.0 million monthly limit per resident on the creation of offshore assets, (iv) a decrease to 0% (from 30%) of the registered, non-transferable and non-interest-bearing deposit required in connection with certain transactions involving foreign currency inflows, (v) the reduction of the required period that the proceeds of any new financial indebtedness incurred by residents, held by foreign creditors and transferred through the MULC must be kept in Argentina, from 365 calendar days to 120 calendar days from the date of the transfer of the relevant amount and (vi) the elimination of the requirement of a minimum holding period (72 business hours) for purchases and subsequent sales of the securities.

During 2013, the Argentine peso devalued from Ps. 4.92 per U.S. dollar as of December 31, 2012 to Ps. 6.52 per U.S. dollar as of December 31, 2013. In early 2014, the devaluation of the Argentine





peso accelerated. While in the week of January 20 to January 24, the official peso/U.S. dollar exchange rate went from Ps. 6.83 per U.S. dollar to Ps. 8.00, in the following months, devaluation continued at a slower pace. As of December 31, 2014, the official peso/U.S. dollar exchange rate was Ps. 8.55 per U.S. dollar. In 2015, the Peso lost approximately 34% of its value with respect to the U.S. dollar, including a 10% devaluation from January 1, 2015 to September 30, 2015 and a 38% devaluation during the last quarter of the year, mainly concentrated after December 16, 2015, when foreign exchange restrictions were lifted.

Government intervention in the foreign currency market to sustain the value of the Argentine peso, increased energy imports and the decline in the international price of gold have resulted in a progressive depletion of Central Bank reserves. In 2013, Central Bank reserves decreased by approximately 29.3% from US\$43,290 million as of December 31, 2012 to US\$30,599 million as of December 31, 2012. In 2014, Central Bank reserves increased slightly, by 2.8% to US\$ 31,443 million as of December 31, 2014, reportedly due to the assistance of the People's Republic of China, implemented through a currency swap program agreement with the Bank of China. As of November 30, 2015, Central Bank reserves were US\$25,615 million, compared to US\$25,563 million as of December 31, 2015.

We are unable to predict the impact of latest reforms in the foreign exchange market, the future value of the peso against the U.S. dollar, or the success or failure of the Central Bank in preserving the value of its reserves. Foreign exchange reforms could have a negative effect on the economy and on private sector companies, including our business and/or lead to volatility in the market prices of securities of Argentine companies.

### c. International Trade Restrictions

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.

On August 22, the World Trade Organization ("WTO") issued a Panel Report relating to complaints brought by the United States, the European Union and Japan, where it concluded



that such import pre-approval requirements were inconsistent with the 1994 General Agreement on Tariffs and Trade ("GATT 1994") and recommended that the Dispute Settlement Body request Argentina to bring the inconsistent measures into conformity with its obligations under the GATT 1994. Argentina appealed the Panel Report on September 26, 2014. On January 15, 2015 the WTO Appellate Body issued its report in the case "Argentina - Measures Affecting the Importation of Goods" upholding the Panel Report's main conclusions and recommendations.

The newly elected Government has announced that international trade restrictions shall be gradually reduced and/or eliminated. Some of these measures, such as the elimination export duties on wheat, corn, beef and regional products, and the reduction of the duty on soybeans by 5% to 30% have been already implemented. Further, the 5% export duty on most industrial exports was also eliminated. With respect to payments for imports and services to be performed abroad, the Government announced the gradual elimination of amount limitations on access to the MULC for any new transactions. Amount limitations for such transactions are expected to gradually decrease and be eliminated by June 2016.

In the past, 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. We cannot assure that measures adopted by the new Government are permanent, that they will be pursued as announced nor that

new trade restrictions to international commerce shall be implemented. Repeated complaints from other 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.

### d. Other forms of government intervention

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.

### e. Sovereign litigation

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.

On November 21, 2012, the United States

District Court for the Southern District of New York ordered Argentina to pay US\$ 1.33 billion to certain holdout bondholders and curtailing Argentina's ability to pay certain other external indebtedness for so long as payment of the holdout bondholders was pending. Argentina appealed the District Court's November 21 order and requested a stay, which was granted by the Second Circuit Court of Appeals. On March 19, 2013, Argentina submitted a proposed payment plan for holdout bondholders, which was rejected by plaintiffs on April 19, 2013. On August 30, 2013, the Second Circuit Court of Appeals affirmed the District Court's November 21, 2012 order, but stayed its decision pending an appeal to the Supreme Court of the United States.

On June 16, 2014, the U.S. Supreme Court denied Argentina's certiorari petition of the Second Circuit Court of Appeals' ruling affirming the Southern District Court judgment of November 21, 2012. Consequently, Argentina was required to pay 100% of the amounts due to plaintiffs whenever it made its next payment to restructured bondholders. Upon rejection of Argentina's appeal to the Supreme Court, on June 18, 2014 the United States Court of Appeals for the Second Circuit lifted its stay of the District Court's order. On June 23, 2014, Argentina requested the District Court for a new stay to allow for a reasonable period of negotiations to settle the dispute with plaintiffs.

On June 26, 2014, Argentina deposited the amounts due to holders of restructured debt in accounts of the trustee -The Bank of New York Mellon ("BONY")- in the Central Bank of Argentina. On that same date, Judge Griesa of the District Court rejected the request for a stay made by Argentina on June 23, 2014.

On June 27, 2014, Judge Griesa ruled that the aforementioned funds should not be delivered to the holders of restructured debt in the absence of a prior agreement with the holdouts. As of the date of this annual report, the parties have not arrived at an agreement and BONY has invoked the decision of the District Court judge to freeze the funds deposited by Argentina. Argentina asserted that it had complied with its obligation to the holders of the restructured bonds by making the initial deposit, and that the indenture trustee had the obligation to deliver those funds to their beneficiaries.

On September 11, 2014, the Argentine Congress passed Law No. 26,984, which provides for various

mechanisms to pay the holders of the restructured bonds. Among other things, the new law authorized the replacement of BONY as trustee and provided for a voluntary exchange of the restructured bonds for new bonds that would have identical financial terms but be governed by Argentine law and subject to Argentine jurisdiction.

On September 29, 2014 the District Court judge declared Argentina in contempt of court but did not impose sanctions on the country. On October 3, 2014, the District Court judge ordered Argentina to reinstate BONY, remove the newly appointed trustee -Nación Fideicomisos- and resolve the dispute with the holdout plaintiffs.

On October 22, 2014, the Second Circuit Court of Appeals dismissed Argentina's appeal with respect to the freezing of the funds deposited with BONY for lack of jurisdiction. On October 28, 2014, the District Court judge rejected a motion filed by plaintiffs to attach the funds deposited by Argentina and frozen at BONY.

At Citibank's request, the District Court judge has authorized the payment of US dollar denominated bonds governed by Argentine law to the extent that payments have become due, deferring a definitive decision on this question. The District Court judge set a new hearing for March 3, 2015 on the matter. On March 12, 2015, Judge Griesa rejected Citibank's request to make interest payments on US dollar denominated bonds governed by Argentine law, due on March 30, 2015.

On May 11, 2015, the plaintiffs that had obtained *pari passu* injunctions asked the U.S. district court to amend their complaints to include claims alleging that Argentina's issuance and servicing of its 2024 dollar-denominated bonds, and its external indebtedness in general, would violate the *pari passu* clause.

On June 5, 2015, the Second Circuit granted partial summary judgment to a group of "me-too" plaintiffs in 36 separate lawsuits, finding that, consistent with the previous ruling of such court, Argentina violated a *pari passu* clause in bonds issued to the "me-too" bondholders. The decision obligates Argentina to pay the plaintiffs \$5.4 billion before it can make payments on restructured debt. On October 30, 2015, the District Court ordered that Argentina specifically perform its payment obligations to the plaintiffs any time it makes, or attempts to make, payments on the bonds. Argentina appealed the decision on November 10, 2015.



Since December 2015, the Government has actively re-engaged in negotiations with bondholders aimed at settling pending claims. As of the date hereof, Argentina has reached agreements in principle with a substantial portion of holdout bondholder plaintiffs. Such agreements in principle, which are subject to the passing of certain laws by the Argentine Congress, are pending execution and closing.

Notwithstanding the above, litigation initiated by bondholders seeking payments from Argentina continues in the United States and in courts in other jurisdictions. 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.

#### **f. Government expenditure**

During the last few years, the Argentine government has substantially increased public expenditure. The Argentine government has sourced part of its funding requirements from the Central Bank and the National Social Security Administration ("ANSES"). For 2012, the government reported the first fiscal deficit since 2009. That trend continued in 2013, with the country's primary deficit more than doubling to approximately Ps. 82.2 billion (approximately 2.4% of INDEC nominal GDP), without taking into account transfers from ANSES and the Central Bank. In 2014 and 2015, the country registered a primary deficit of approximately Ps. 155.5 billion and Ps. 235,1 billion (approximately 3.5% and 4.4% of INDEC nominal GDP), respectively, its highest levels since 2002. We cannot assure you that the new Government will be able to reduce current deficit or that it 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. There is uncertainty as to the use of Central Bank reserves by the newly elected Government in the short and medium term.

#### **LEGISLATION AND REGULATION OF THE MEDIA INDUSTRY**

In Argentina, the legal system, including the Constitution, protects the independence of the free press. As a media company, we are vigilant as to the attempts to curtail freedom of speech and the free press that might arise and widely cooperate with journalistic associations and other NGOs that advocate for the protection of these and other fundamental constitutional rights.

Since 2009 the government has conducted an overt policy designed to restrict the activities of the free press. During 2013, 2014 and most of 2015, private media in general and Grupo Clarín in particular continued to face an escalating level of harassment, involving the use of official and para-official means and resources with the clear intention of damaging the private media's reputation and directly and indirectly limiting its journalistic activities.

Since December 2015, the new government under the Macri administration has made announcements in favor of an independent media and against censorship, passed legislation and improved communication channels with private media in general, which evidences major changes in media related governmental policies.

Until December 2015 the Argentine Media Industry was governed by two main laws and subject to the oversight of two different enforcement agencies: (a) in the case of the audiovisual media industry, by Audiovisual Communication Services Law No. 26,522 (the "LSCA") and its federal enforcement authority (the "AFSCA"), and (b) in the case of the telecommunications industry, by Law No. 27,078 (the "Digital Argentina Act") and its federal enforcement authority (the "AFTIC").



On December 29, 2015, the National Government issued Decree No. 267/2015 pursuant to which it intends, among other things, gradually to converge the audiovisual media and telecommunications industries under the same regulatory framework (the "New Media Decree"). Among other provisions, the New Media Decree (i) creates a new National Communications Agency (the "ENACOM"), an autarchic decentralized entity under the Ministry of Communications, which replaces AFSCA and AFTIC as enforcement authority for the LSCA and the Digital Argentina Act, (ii) repeals Section 161 of the LSCA, which required the filing with AFSCA, by the Company and some of its subsidiaries, of a reorganization and divestment plan in order to conform to the requirements and limitations of the LSCA, (iii) amends the multiple license regime set forth under Section 45 of the LSCA, (iv) amends the 35% limit applicable to total inhabitants for open services and the 35% total subscription limit for subscription television services, (v) eliminates the restriction to provide open broadcasting television services and subscription television services in the same area, (vi) expands services to be provided and registered by TIC licensees by including pay broadcasting service by physical and/or by radio-electric link; and thus, services provided by cable operators (such as Cablevisión and its subsidiaries) shall be governed by the Digital Argentina Act, and, (vii) provides that telephone service operators with licenses granted under Decree No. 62/90 and Sections 5.1 and 5.2 of Decree No. 264/98 and mobile telephone service operators with licenses granted under

Decree 1461/93 shall only be entitled to provide pay television services by means of physical and/or radio-electric link starting on or after January 1, 2018 (or January 1, 2019, if the waiting period is extended by ENACOM). The New Media Decree is subject to confirmation by the Argentine Congress. Pursuant Argentine law, until Congress confirms or rejects the New Media Decree, it remains valid and binding.

The New Media Decree affects the regulatory frameworks applicable to both audiovisual communication services and telecommunication services, which are described below. Failure by Congress to confirm the New Media Decree and the reversal of any decisions adopted by the Argentine government pursuant to the New Media Decree could materially affect the recoverability of the Company's relevant assets, its business, results of operations and financial condition.

#### **a. Audiovisual Communication Services**

In October 2009, the Argentine Congress passed the LSCA to replace the general legal framework under which the audiovisual media industry had operated in Argentina for approximately three decades. We and others challenged the new LSCA 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.

On October 29, 2013, the Argentine Supreme Court, in a split decision, upheld the constitutionality of the LSCA in re "Grupo Clarín S.A. and others v. National Executive Branch and others re/ Merely declarative Action".

On October 31, 2013 the Company and some of its subsidiaries were served with Resolution No. 2276/2012 of the AFSCA, providing for an ex-officio proceeding to force compliance by the Company and some of its subsidiaries with the requirements and limitations of the LSCA. In order to avoid such de-facto proceedings, which sought to dispossess the Company of its licenses and assets, on November 4, 2013 the Company submitted to AFSCA and the Supreme Court of Argentina a proposal to conform the Company and its subsidiaries to section 161 of the LSCA. Shortly after receipt of the proposal, AFSCA issued Resolution No. 1,471/2013, whereby it suspended the ex-officio transfer procedure. The proposal included the necessary disclaimers to safeguard the rights of the Company.

The proposal required the approval of AFSCA, the intervention of other governmental and oversight agencies and the approval of the shareholders at the respective Shareholders' Meetings in order to carry out the restructuring and the transfer of licenses, assets, liabilities and operations to third parties. On February 18, 2014, AFSCA issued Resolution No.193/2014 that declared the admissibility of said proposal and granted the Company a term of 180 calendar days for its implementation. On August 19, 2014, the Company, ARTEAR, Radio Mitre and Cablevisión informed AFSCA of their completion of all actions necessary on their side to implement the proposal, under the terms of such Resolution No. 193/2014. The entities also requested that AFSCA consider the explanations provided in response to AFSCA's previous observations, and compel the other intervening authorities to take the necessary actions to enable the final completion of the proposal.

AFSCA issued new, additional requests and requirements, which were all duly and timely responded by the Company. On October 9, 2014, AFSCA notified the Company, ARTEAR, Radio Mitre and Cablevisión of the issuance of Resolution No. 1,121/2014, whereby that agency

decided to (i) reject the reorganization proposed by the Company, the reorganization proposed by Cablevisión, the formation of the foreign trusts required for the implementation of such reorganizations and the transfers proposed by the Company, ARTEAR, Radio Mitre and Cablevisión and to resume the ex-officio transfer procedures.

On 31 October 2014, the Federal Civil and Commercial Court No. 1 granted an interim injunction whereby it ordered the Argentine government and AFSCA to “abstain from performing, directly or through third parties, any action in connection with the ex officio transfer procedure.” Chamber No. 1 of the National Court of Appeals on Federal Civil and Commercial Matters confirmed the injunction issued by the first instance judge.

Given AFSCA’s arbitrary and discriminatory decisions, on March 5, 2015, the Company broadened the scope of the claim filed in re “GRUPO CLARÍN v. NATIONAL GOVERNMENT on Incidental Procedure” (File 7,263/2012)”, and requested the judge to: (i) declare that AFSCA’s enforcement of Sections 45, 48 and 161 of the LSCA on the claimants through AFSCA Resolution No. 1,121/14 is unconstitutional and infringes the right to freedom of the press, property, equality before the law, due process, defense in court and the principle of reasonableness with which those powers must necessarily be exercised, and that, if necessary, each and every resolution related to this unconstitutional enforcement, in particular AFSCA Resolution No. 1,121/14, is illegitimate and null and void; (ii) order claimants to comply with the legitimate legal obligation to conform to the LSCA, voluntarily applying the criteria adopted by AFSCA on other proposals and to order AFSCA to refrain from discriminating against the claimants in the consideration of their proposal to conform to the license regime provided under Section 45 of the LSCA and to comply with the conditions established in Recital 74 of the Supreme Court’s decision in re “Grupo Clarín and Other v. National Government on Incidental Procedure” for the application of the LSCA; and, (iii) order the National Government to carry out each and every act required to implement the proposal submitted by the claimants that were identified in the Proposal.

On January 12, 2016, the Company’s shareholders resolved (i) to terminate the reorganization plan submitted to AFSCA and the Supreme Court of Argentina on November 4, 2013, and (ii) to instruct

the Board of Directors of the Company to analyze and recommend the shareholders a course of action in light of the new developments in the media regulatory framework

On February 1, 2016, ENACOM issued Resolution No. 17/2016, whereby-in light of the amendments to Section 45 of the LSCA and the repeal of Section 161 of the LSCA-ENACOM declared that all companies that had made filings to conform to the LSCA pursuant to Section 161, including the Company and its subsidiaries, now complied with the limits relating to multiplicity of licenses provided under Section 45 of the LSCA and therefore all such files and/or administrative actions shall be deemed concluded and closed. In addition, Resolution No. 17/2016 repealed AFSCA Resolution No. 1,121/14, among others, and rendered it without effect.

In spite of the substantive developments brought about by the issuance of the New Media Decree and the subsequent ENACOM resolutions issued pursuant to such Decree, the new regulatory framework, its implementation and its effects on the business of the Company and its subsidiaries remain uncertain. Failure by Congress to confirm the New Media Decree and the reversal of any decisions adopted by the Argentine government pursuant to the New Media Decree could materially affect the recoverability of the Company’s relevant assets, its business, results of operations and financial condition.

#### **b. Telecommunication Services**

On December 16, 2014 Congress passed the Digital Argentina Act, whereby Congress partially repealed the existing National Telecommunications Law No. 19,798 and subjected the effectiveness of Decree No. 764/00 (which had deregulated the telecommunications market) to the issuance of four new regulations relating to the License Regime, Interconnection, Universal Services and Radioelectric Spectrum.

The new law maintains the single country-wide license scheme and the independent registration of the services to be rendered, but telecommunication services are renamed “Information and Communication Technologies” (TIC). Notwithstanding their new denomination, TIC licenses (now called “Digital Argentina Single Licenses”) still cover all telecommunication services, and the scope of the licenses granted originally to the Company’s subsidiaries and merged companies remains unaltered.



The most significant change to the former National Telecommunications regime was the creation of a new public service under the name "Public and Strategic Infrastructure Use and Access Service for and among Providers." By characterizing this activity as a public service, providers (including audiovisual communication service providers) may be required to grant other TIC service providers access to network elements, related resources or services for such other TIC service providers to render their own services. Networks and infrastructure owners, such as the Company and its subsidiaries, may be required to grant network access to competitors that have not made investments in their own infrastructure. The obligation to provide network access to competitors could have an adverse effect on our business, financial condition and results of operations

### c. Other government action relating to the Company and the media industry

In addition to the government's drive to implement the LSCA, until December 2015 the Argentine government sought (i) 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, (ii) to revoke the license under which Cablevisión renders internet services, (iii) to set the price of its pay-television service according to a pricing formula, (iv) to reject the acquisition by Cablevisión of the shares of Nextel Communications Argentina S.R.L., and (v) to revoke the telecommunication service licenses granted to Nextel Communications Argentina S.R.L., a subsidiary of the Company as of the date of these financial statements. Most, but not all, such measures were either rejected by the intervening Civil and Commercial Courts, or reconsidered and revoked by the ENACOM. Failure to obtain congressional confirmation of the New Media Decree and the consequent reversal of the creation of the ENACOM could lead to a reversal of its decisions and materially affect the recoverability of the Company's relevant assets, its business, results of operations and financial condition.

Other government or para-official actions against the Company and media in general under the previous administration included: (i) an exponential increase and discriminatory allocation of official advertising, (ii) the use of public funds and media

on a discretionary basis to generate content and shows that display political propaganda, (iii) an aggressive campaign to destroy non-partisan media by compromising their economic sustainability and credibility, (iv) abuse of bureaucratic controls or controls by public agencies in the form of administrative persecutions, groundless arbitrary resolutions, disproportionate tax controls and recurring audits, (v) blockades to printing facilities to prevent the distribution of certain newspapers and magazines, and (vi) government interference and regulation of the newsprint industry. While both the political scenario and the regulation applicable to the media industry appear to have changed positively since December 2015, we cannot assure that actions by the Government or the new political opposition will not continue. Increased government action against the Company could materially affect our business, results of operations and financial condition.

### CAPITAL MARKETS REGULATIONS

On November 29, 2012 Congress passed Capital Markets Law No. 26,831 (the "Capital Markets Law"), which was enacted by the Executive on December 27, 2012, published on December 28, 2012 and became effective on January 28, 2013. The Capital Markets Law provides for a comprehensive amendment of the public offering regime, previously governed by Law No. 17,811 and, among other things, enhances the National Government's oversight powers over publicly traded companies.

On July 29, 2013, the National Government issued Decree No. 1023/2013 to regulate partially the Capital Markets Law. Among other provisions, the Decree regulates Section 20 of said Law, pursuant to which the CNV may appoint an overseer with veto rights over the decisions made by the boards of directors of entities subject to the public offering regime, or otherwise remove the boards from such entities for up to 180 days until all deficiencies found by the CNV are solved, without prior judicial authorization or control. The Decree also vests with the CNV the power to appoint the administrators or co-administrators that will hold office after a board of directors of an issuer is removed. The Company is of the view that the Decree amends the Law it seeks to regulate and, therefore, is not a valid implementing regulation.

On July 12, 2013, a few days prior to the issuance of the Decree, the Company was served notice of Resolution No. 17,131, dated July 11, 2013,

whereby the CNV declared that the administrative effects of the decisions adopted at the Annual Ordinary General Shareholders' Meeting held on April 25, 2013 were irregular and ineffective. The CNV's Resolution was based on allegations that were completely false and irrelevant. These allegations, as well as the conduct of the representatives of ANSES (a shareholder of the Company) and of the CNV at the meeting, prompted certain directors of the Company -and later the Board itself- to press criminal charges against ANSES and CNV representatives (Messrs. Reposo, Kicillof, Moreno, Vanoli, Fardi and Helman) for making false statements and arguments with the sole intent of discrediting the Board of Directors and caricature the Company's management with the ultimate purpose of creating pretexts to permit an intervention of the Company without judicial control, pursuant to the new powers vested on the CNV by the Capital Markets Law.

The Company gave the CNV written notice that the events registered at the Shareholders' Meeting could not be considered in any way as an acknowledgment of the legitimacy of the powers vested in the CNV by the Capital Markets Law, and reserved its rights to file the pertinent legal actions to challenge the constitutionality of that law.

On August 20, 2013, at the request of Mr. Rubén Mario Szwarc, a shareholder of the Company, the Company was served notice of the decision rendered by Chamber A of the National Court of Appeals on Commercial Matters, whereby that Chamber decided, among other things, to enjoin the enforcement of Section 20, subsection a), second part, paragraphs I and II (or 1 and 2) of the Capital Markets Law and of all laws, rules or administrative acts issued or that may be issued pursuant to such legal provisions, with respect to Grupo Clarín S.A., until the courts decide on the merits of Mr. Szwarc's claim.

On October 11, 2013 Chamber 5 of the National Court of Appeals on Federal Administrative Matters issued an injunction in re "Grupo Clarín S.A. v. CNV - Resol No. 17,131/13 (File 737/13)" File No. 29,563/2013, suspending the effects of Resolution No. 17,131/2013 until the courts reach a decision on the merits. As of 31 December 2015, the injunction is still in place.

On March 21, 2014 the Company was served notice of a claim filed by ANSES, seeking to challenge and to render void the decisions adopted at the

Shareholders' Meeting of the Company held on 25 April 2013 and the decisions adopted by the Board of Directors at its meeting of 26 April 2013. As of 31 December 2015 the Company has filed its response to the claim.

In spite of these judicial measures that have afforded the Company temporary protection against arbitrary and discriminatory action taken by the previous administration against us, and in spite of the positive signs that the new Government has changed the way in which it relates to the press in general, we cannot assure that these injunctions and measures will remain in place, that the courts will not uphold the constitutionality of Section 20 of the Capital Markets Law, or that the CNV will not attempt to apply that provision against the Company, effectively removing the Board of Directors for up to 180 days and replacing it with CNV-appointed administrators or co-administrators.

Direct intervention of our management by the CNV 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.

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. While we have been able to access the official foreign exchange market to make debt payments to date, we cannot exclude that foreign exchange controls could adversely affect our ability to make payments on our debt on a timely basis.

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

As mentioned above and in light of the decision rendered by the Supreme Court of Justice, on November 3, 2013 the Board of Directors approved a voluntary proposal to conform to the LSCA that was filed with AFSCA on November 4, 2013 and declared formally admissible by that agency on February 18, 2014.

Even though the Company and its subsidiaries devoted considerable effort to the implementation in due time and form of the Proposal that had been declared formally admissible by AFSCA, that agency issued Resolution No. 1,121/AFSCA/2014, whereby it rejected the corporate reorganizations and transfers under the Proposal and ordered the arbitrary and inapplicable initiation of an ex-officio divestiture procedure. Therefore, the Company and its subsidiaries requested the Resolution's nullification before judicial and administrative courts.

However, Decree No. 267/15 issued on December 29, 2015 introduced significant amendments with respect to both Law No. 26,522 and Law No. 27,078, which have a significant impact on the business projections of the Company and its subsidiaries that are bound by the obligation to conform to the Audiovisual Communication Services Law.

Among the main amendments introduced by Decree No. 267 to Law No. 26,522, the most remarkable are the repeal of Section 161, which set forth the obligation to conform to the limits established under that law with respect to ownership conditions and number of licenses, and a comprehensive amendment of the multiple license regime, which entails in practice that the Company and its subsidiaries that are licensees and/or owners of audiovisual communication services already comply with the new regulatory framework.

Consequently, the new enforcement authority issued Resolution No. 17/ENACOM/2016 on February 2, 2016, whereby it recognized that the Company and its subsidiaries comply with the limits related to the multiplicity of licenses established under Section 45 of Law No. 26,522, which was amended by Decree No. 267/2015. Therefore, the proposal submitted by the Company and its subsidiaries shall be deemed concluded



and filed. In the same administrative act, Resolution No. 1.121/AFSCA/2014 was revoked.

Pursuant to Decree No. 267/15, the licenses for the exploitation of physical link and radio-electric link subscription television services held by Cablevisión and its subsidiaries that had been granted under Laws Nos. 22,285 and 26,522 are now called "Registrations" for the exploitation of physical link and radio-electric link subscription television services of an exclusive license called Licencia Única Argentina Digital. Therefore, those services are now governed by the Digital Argentina Act.

Insofar as the Company and its subsidiaries are concerned, Decree No. 267/15 eliminates:

- i) The incompatibility to render in the same location broadcast television services and subscription television services,
- ii) The limit of 10 licenses for radio-electric link subscription television services and 24 licenses for physical link subscription television services, which are considered to be TIC services as from January 4, 2016, date on which the decree became effective; and
- iii) The limit that provided that broadcast television services may not reach more than 35% of the total national population and the limit that provided that subscription television services may not reach more than 35% of the aggregate subscribers.

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

- i) The registration of physical link subscription television services is no longer limited to a specific territorial area. The same is not the case with radio-electric link subscription television services because of the portion of the spectrum allocated to render these services;
- ii) Both registrations, for physical link subscription television services and for radio-electric link subscription television services, are no longer subject to expiration terms. However, the portions of the spectrum allocated to render radio-electric link subscription television services do have

expiration terms. The last subsection of Section 7 of Decree No. 267/15, which amends Section 10 of Law No. 27,078, provides that "the term for the use of radio electric spectrum frequencies by the holders of subscription television licenses allocated under Laws Nos. 22,285 and 26,522 shall be the one established in their original title or TEN (10) years counted as from January 1, 2016, whichever is longer in the case of licensees that had an effective license as of such date".


Implementing regulations for Law No. 27,078, now amended by Decree No. 267/15, are still pending. Therefore, the economic and operational impact that the creation of this "Public and Strategic Infrastructure Access and Use Service for and among Providers", which includes "providers having to make available to other providers their network elements, associated facilities or services to render TIC services, even when such elements are used to render audiovisual content services" may have on the subsidiaries that fall within the scope of these regulations cannot be ascertained.

However, the Company seeks to reinforce and enhance its products and services through the activities developed by Grupo Clarín and its business units, preserving their quality and fostering ongoing innovation. Grupo Clarín intends to continue to focus on optimizing the productivity and efficiency levels in all of its operating areas, seeking to develop and to apply the best practices related to each of these processes. At a corporate level, activities will be focused 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 renews its sustained commitment to regulatory compliance, while reinforcing once again its commitment towards its readers, audiences and the country. In its daily work, Grupo Clarín seeks to assume with strength and responsibility the role that 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, because these are pillars that extol the quality of democracy and the welfare of Argentine society as a whole.







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## Glossary of Selected Terms

Consolidated Financial Statements as of December 31, 2015 Presented on a comparative basis

|                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>ADIRA</b> Association of Provincial Newspapers of the Republic of Argentina                                                                                                                                                                                                                                                                                                                 | <b>GCSA Investments</b> GCSA Investments, LLC                                                                                |
| <b>AEDBA</b> Association of Newspaper Publishers of the City of Buenos Aires                                                                                                                                                                                                                                                                                                                   | <b>GC Minor</b> GC Minor S.A.                                                                                                |
| <b>AFA</b> Asociación del Fútbol Argentino (Argentine Football Association)                                                                                                                                                                                                                                                                                                                    | <b>GC Services</b> Grupo Clarín Services, LLC                                                                                |
| <b>AFIP</b> Administración Federal de Ingresos Públicos (Argentine Federal Revenue Service)                                                                                                                                                                                                                                                                                                    | <b>GDS</b> Global Depositary Shares                                                                                          |
| <b>AFSCA</b> Autoridad Federal de Servicios de Comunicación Audiovisual (Audiovisual Communication Services Law Federal Enforcement Authority)                                                                                                                                                                                                                                                 | <b>Grupo Carburando</b> Carburando S.A.P.I.C.A.F.I., Mundo Show S.A. and Mundo Show TV S.A.                                  |
| <b>AGEA</b> Arte Gráfico Editorial Argentino S.A.                                                                                                                                                                                                                                                                                                                                              | <b>Grupo Clarín, or the Company</b> Grupo Clarín S.A.                                                                        |
| <b>AGR</b> Artes Gráficas Rioplatense S.A.                                                                                                                                                                                                                                                                                                                                                     | <b>Grupo Radio Noticias</b> Grupo Radio Noticias S.R.L.                                                                      |
| <b>ANA</b> Administración Nacional de Aduanas (National Customs Administration)                                                                                                                                                                                                                                                                                                                | <b>Holding Teledigital</b> Holding Teledigital Cable S.A.                                                                    |
| <b>APE</b> Acuerdo preventivo extrajudicial (pre-packaged insolvency plan)                                                                                                                                                                                                                                                                                                                     | <b>IASB</b> International Accounting Standards Board                                                                         |
| <b>ARPA</b> Association of Argentine Private Broadcasters                                                                                                                                                                                                                                                                                                                                      | <b>Ideas del Sur</b> Ideas del Sur S.A.                                                                                      |
| <b>ARTEAR</b> Arte Radiotelevisivo Argentino S.A.                                                                                                                                                                                                                                                                                                                                              | <b>IESA</b> Inversora de Eventos S.A.                                                                                        |
| <b>Auto Sports</b> Auto Sports S.A. (now Carburando S.A.)                                                                                                                                                                                                                                                                                                                                      | <b>IFRIC</b> International Financial Reporting Interpretations Committee                                                     |
| <b>Bariloche TV</b> Bariloche TV S.A.                                                                                                                                                                                                                                                                                                                                                          | <b>IFRS</b> International Financial Reporting Standards                                                                      |
| <b>BCBA</b> Bolsa de Comercio de Buenos Aires (Buenos Aires Stock Exchange)                                                                                                                                                                                                                                                                                                                    | <b>IGJ</b> Inspección General de Justicia (Argentine Superintendency of Legal Entities)                                      |
| <b>Cablevisión</b> Cablevisión S.A.                                                                                                                                                                                                                                                                                                                                                            | <b>Impripost</b> Impripost Tecnologías S.A.                                                                                  |
| <b>Canal Rural</b> Canal Rural Satelital S.A.                                                                                                                                                                                                                                                                                                                                                  | <b>VAT</b> Value Added Tax                                                                                                   |
| <b>CER</b> Coeficiente de Estabilización de Referencia (Reference Stabilization Coefficient, a consumer price inflation coefficient)                                                                                                                                                                                                                                                           | <b>La Razón</b> Editorial La Razón S.A.                                                                                      |
| <b>CIMECO</b> Compañía Inversora en Medios de Comunicación (CIMECO) S.A.                                                                                                                                                                                                                                                                                                                       | <b>La Capital Cable</b> La Capital Cable S.A.                                                                                |
| <b>CLC</b> Compañía Latinoamericana de Cable S.A.                                                                                                                                                                                                                                                                                                                                              | <b>Antitrust Law</b> Law No. 25,156, as amended                                                                              |
| <b>CMD</b> Compañía de Medios Digitales (CMD) S.A. (former PRIMA Internacional)                                                                                                                                                                                                                                                                                                                | <b>Broadcasting Law</b> Law No. 22,285 and its regulations                                                                   |
| <b>CMI</b> Comercializadora de Medios del Interior S.A.                                                                                                                                                                                                                                                                                                                                        | <b>Audiovisual Communication Services Law</b> Law No. 26,522 and its regulations                                             |
| <b>CNDC</b> Comisión Nacional de Defensa de la Competencia (National Antitrust Commission)                                                                                                                                                                                                                                                                                                     | <b>LSE</b> London Stock Exchange                                                                                             |
| <b>CNV</b> Comisión Nacional de Valores (Argentine Securities Commission)                                                                                                                                                                                                                                                                                                                      | <b>Multicanal</b> Multicanal S.A.                                                                                            |
| <b>CPCECABA</b> Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (Professional Council in Economic Sciences of the City of Buenos Aires)                                                                                                                                                                                                                       | <b>IAS</b> International Accounting Standards                                                                                |
| <b>COMFER</b> Comité Federal de Radiodifusión (Federal Broadcasting Committee)                                                                                                                                                                                                                                                                                                                 | <b>NCP ARG</b> Argentine Professional Accounting Standards, except for Technical Resolutions No. 26 and 29 which adopt IFRS. |
| <b>CSJN</b> Supreme Court of Argentina                                                                                                                                                                                                                                                                                                                                                         | <b>OSA</b> Oportunidades S.A.                                                                                                |
| <b>CUSPIDE</b> Cúspide Libros S.A.                                                                                                                                                                                                                                                                                                                                                             | <b>Papel Prensa</b> Papel Prensa S.A.I.C.F. y de M.                                                                          |
| <b>CVB</b> CV B Holding S.A.                                                                                                                                                                                                                                                                                                                                                                   | <b>Patagonik</b> Patagonik Film Group S.A.                                                                                   |
| <b>Dinero Mail</b> Dinero Mail LLC                                                                                                                                                                                                                                                                                                                                                             | <b>Pol-Ka</b> Pol-Ka Producciones S.A.                                                                                       |
| <b>Adjusted EBITDA</b> Revenues less cost of sales and selling and administrative expenses (excluding depreciation and amortization). Additionally, the segment "Cable Television and Internet Access" includes adjustments related to the recognition of revenues from installation services and transactions including separate items and the non-consolidation of special purpose entities. | <b>PRIMA</b> Primera Red Interactiva de Medios Argentinos (PRIMA) S.A.                                                       |
| <b>Editorial Atlántida</b> Editorial Atlántida S.A.                                                                                                                                                                                                                                                                                                                                            | <b>PRIMA Internacional</b> Primera Red Interactiva de Medios Americanos (PRIMA) Internacional S.A. (now CMD)                 |
| <b>FACPCE</b> Federación Argentina de Consejos Profesionales de Ciencias Económicas (Argentine Federation of Professional Councils in Economic Sciences)                                                                                                                                                                                                                                       | <b>NEXTEL</b> Nextel Communications Argentina S.R.L.                                                                         |
| <b>FADRA</b> Fundación de Automovilismo Deportivo de la República Argentina (Argentine Motor Racing Foundation)                                                                                                                                                                                                                                                                                | <b>Radio Mitre</b> Radio Mitre S.A.                                                                                          |
| <b>Fintech</b> Fintech Advisory, Inc. together with its affiliates                                                                                                                                                                                                                                                                                                                             | <b>SCI</b> Secretaría de Comercio Interior (Secretariat of Domestic Trade)                                                   |
| <b>GCGC</b> GC Gestión Compartida S.A.                                                                                                                                                                                                                                                                                                                                                         | <b>SECOM</b> Secretaría de Comunicaciones (Argentine Secretariat of Communications)                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>SHOSA</b> Southtel Holdings S.A.                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>SMC</b> Secretaría de Medios de Comunicación (Media Secretariat)                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>Supercanal</b> Supercanal Holding S.A.                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>TATC</b> Tres Arroyos Televisora Color S.A.                                                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>TCM</b> TC Marketing S.A.                                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>Telba</b> Teledifusora Bahiense S.A.                                                                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>Telecor</b> Telecor S.A.C.I.                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>Teledigital</b> Teledigital Cable S.A.                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>TFN</b> Tribunal Fiscal de la Nación (National Tax Court)                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>Tinta Fresca</b> Tinta Fresca Ediciones S.A.                                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>TPO</b> Televisora Privada del Oeste S.A.                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>TRISA</b> Tele Red Imagen S.A.                                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>TSC</b> Televisión Satelital Codificada S.A.                                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>TSMA</b> Teledifusora San Miguel Arcángel S.A.                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>UNIR</b> Unir S.A.                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>Vistone</b> Vistone S.A.                                                                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                | <b>VLG</b> VLG Argentina, LLC                                                                                                |

## Grupo Clarín S.A.

Consolidated Financial Statements  
as of December 31, 2015  
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.

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<br>per share | Subscribed, registered<br>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                                    |
| <b>Total as of December 31, 2015</b>    |                              | <b>287.418.584</b>                            |
| <b>Total as of December 31, 2014</b>    |                              | <b>287.418.584</b>                            |

Signed for identification purposes  
with the report dated March 9, 2016

See our report dated March 9, 2016  
Price Waterhouse & Co. S.R.L.  
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

**Carlos Alberto Pedro Di Candia**  
Chairman of the Supervisory Committee

**Dra. Teresita M. Amor** (Partner)  
Certified Public Accountant (UBA)  
C.P.C.E.C.A.B.A. VOL. 145 - FOL. 150

**Jorge Carlos Rendo**  
Chairman

## Consolidated Statement of Comprehensive Income

For the years ended  
December 31, 2015 and 2014  
In Argentine Pesos (Ps.)

|                                                                                          | Notes | December 31, 2015    | December 31, 2014    |
|------------------------------------------------------------------------------------------|-------|----------------------|----------------------|
| Revenues                                                                                 | 6.1   | 27,791,529,688       | 19,709,606,003       |
| Cost of Sales <sup>(1)</sup>                                                             | 6.2   | (13,917,510,596)     | (11,011,684,118)     |
| Subtotal - Gross Profit                                                                  |       | 13,874,019,092       | 8,697,921,885        |
| Selling Expenses <sup>(1)</sup>                                                          | 6.3   | (3,640,512,643)      | (2,512,467,811)      |
| Administrative Expenses <sup>(1)</sup>                                                   | 6.3   | (3,668,183,355)      | (2,590,759,136)      |
| Other Income and Expense, net                                                            | 6.6   | 99,907,085           | (638,268)            |
| Financial Costs                                                                          | 6.4   | (2,934,798,478)      | (1,720,839,210)      |
| Other Financial Results, net                                                             | 6.5   | (129,638,226)        | (9,585,875)          |
| Financial Results                                                                        |       | (3,064,436,704)      | (1,730,425,085)      |
| Equity in Earnings from Affiliates and Subsidiaries                                      | 5.4   | 544,629,950          | 71,895,433           |
| Income before Income Tax and Tax on Assets                                               |       | 4,145,423,425        | 1,935,527,018        |
| Income Tax and Tax on Assets                                                             | 7     | (1,229,512,944)      | (590,065,354)        |
| <b>Net Income for the Year</b>                                                           |       | <b>2,915,910,481</b> | <b>1,345,461,664</b> |
| <b>Other Comprehensive Income</b>                                                        |       |                      |                      |
| <b>Items which may be reclassified to net income</b>                                     |       |                      |                      |
| Variation in Translation Differences of Foreign Operations<br>from Continuing Operations |       | 165,911,907          | 359,868,325          |
| Other Comprehensive Income for the Year                                                  |       | 165,911,907          | 359,868,325          |
| <b>Total Comprehensive Income for the Year</b>                                           |       | <b>3,081,822,388</b> | <b>1,705,329,989</b> |
| Profit Attributable to:                                                                  |       |                      |                      |
| Shareholders of the Parent Company                                                       |       | 1,884,929,369        | 804,101,687          |
| Non-Controlling Interests                                                                |       | 1,030,981,112        | 541,359,977          |
| Total Comprehensive Income Attributable to:                                              |       |                      |                      |
| Shareholders of the Parent Company                                                       |       | 2,003,372,380        | 998,531,029          |
| Non-Controlling Interests                                                                |       | 1,078,450,008        | 706,798,960          |
| Basic and Diluted Earnings per Share from                                                |       |                      |                      |
| Continuing Operations                                                                    |       | 6.56                 | 2.80                 |
| Basic and Diluted Earnings per Share - Total                                             |       | 6.56                 | 2.80                 |

(1) Includes amortization of intangible assets and film library, and depreciation of property, plant and equipment in the amount of Ps. 1,795,472,451 and Ps. 1,444,862,809 for the years ended December 31, 2015 and 2014, respectively.

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

Signed for identification purposes  
with the report dated March 9, 2016

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Price Waterhouse & Co. S.R.L.  
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**Dra. Teresita M. Amor** (Partner)  
Certified Public Accountant (UBA)  
C.P.C.E.C.A.B.A. VOL. 145 - FOL. 150

**Jorge Carlos Rendo**  
Chairman

## Consolidated Balance Sheet

As of December 31, 2015  
and 2014  
In Argentine Pesos (Ps.)

|                                                          | Notes | December 31, 2015     | December 31, 2014     |
|----------------------------------------------------------|-------|-----------------------|-----------------------|
| <b>Assets</b>                                            |       |                       |                       |
| <b>Non-Current Assets</b>                                |       |                       |                       |
| Property, Plant and Equipment                            | 5.1   | 9,026,866,357         | 6,370,192,626         |
| Intangible Assets                                        | 5.2   | 258,146,566           | 330,614,131           |
| Goodwill                                                 | 5.3   | 2,907,928,844         | 2,932,411,625         |
| Deferred Tax Assets                                      | 7     | 374,890,670           | 298,134,997           |
| Investments in unconsolidated affiliates                 | 5.4   | 1,721,354,821         | 345,510,998           |
| Other Investments                                        | 5.5   | 458,789,781           | 275,625,916           |
| Inventories                                              | 5.6   | 23,626,229            | 20,952,973            |
| Other Assets                                             | 5.7   | 2,627,301             | 1,249,770             |
| Other Receivables                                        | 5.8   | 1,389,317,682         | 134,959,494           |
| Trade Receivables                                        | 5.9   | 82,905,052            | 91,505,064            |
| <b>Total Non-Current Assets</b>                          |       | <b>16,246,453,303</b> | <b>10,801,157,594</b> |
| <b>Current Assets</b>                                    |       |                       |                       |
| Inventories                                              | 5.6   | 490,692,852           | 272,051,027           |
| Other Assets                                             | 5.7   | 11,456,124            | 7,063,276             |
| Other Receivables                                        | 5.8   | 949,442,104           | 624,552,014           |
| Trade Receivables                                        | 5.9   | 3,790,626,735         | 2,885,040,086         |
| Other Investments                                        | 5.5   | 1,186,552,013         | 1,416,105,212         |
| Cash and Banks                                           | 5.10  | 2,025,780,934         | 1,161,628,319         |
| <b>Total Current Assets</b>                              |       | <b>8,454,550,762</b>  | <b>6,366,439,934</b>  |
| Assets held for sale                                     | 13    | -                     | 163,897,072           |
| <b>Total Assets</b>                                      |       | <b>24,701,004,065</b> | <b>17,331,494,600</b> |
| <b>Equity (as per the corresponding statement)</b>       |       |                       |                       |
| Attributable to Shareholders of the Parent Company       |       |                       |                       |
| Shareholders' Contributions                              |       | 2,010,638,503         | 2,010,638,503         |
| Other items                                              |       | 592,243,638           | 477,244,708           |
| Retained Earnings                                        |       | 4,630,068,532         | 2,995,139,163         |
| Total Attributable to Shareholders of the Parent Company |       | 7,232,950,673         | 5,483,022,374         |
| Attributable to Non-Controlling Interests                |       | 3,175,288,997         | 2,282,464,286         |
| <b>Total Shareholders' Equity</b>                        |       | <b>10,408,239,670</b> | <b>7,765,486,660</b>  |
| <b>Liabilities</b>                                       |       |                       |                       |
| <b>Non-Current Liabilities</b>                           |       |                       |                       |
| Provisions and Other                                     | 5.11  | 432,475,314           | 336,650,704           |
| Debt                                                     | 5.12  | 4,033,351,896         | 2,870,498,547         |
| Deferred Tax Liabilities                                 | 7     | -                     | 55,140,623            |
| Taxes Payable                                            | 5.14  | 90,524,218            | 98,018,442            |
| Other Liabilities                                        | 5.15  | 142,185,237           | 151,758,062           |
| Trade Payables and Other                                 | 5.16  | 19,557,018            | 8,059,507             |
| <b>Total Non-Current Liabilities</b>                     |       | <b>4,718,093,683</b>  | <b>3,520,125,885</b>  |
| <b>Current Liabilities</b>                               |       |                       |                       |
| Debt                                                     | 5.12  | 2,901,737,366         | 1,718,898,323         |
| Seller Financings                                        | 5.13  | 1,874,191             | 3,791,426             |
| Taxes Payable                                            | 5.14  | 1,152,994,701         | 858,170,919           |
| Other Liabilities                                        | 5.15  | 465,161,856           | 309,348,644           |
| Trade Payables and Other                                 | 5.16  | 5,052,902,598         | 3,155,672,743         |
| <b>Total Current Liabilities</b>                         |       | <b>9,574,670,712</b>  | <b>6,045,882,055</b>  |
| <b>Total Liabilities</b>                                 |       | <b>14,292,764,395</b> | <b>9,566,007,940</b>  |
| <b>Total Equity and Liabilities</b>                      |       | <b>24,701,004,065</b> | <b>17,331,494,600</b> |

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

Signed for identification purposes  
with the report dated March 9, 2016

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C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

Carlos Alberto Pedro Di Candia  
Chairman of the Supervisory Committee

Dra. Teresita M. Amor (Partner)  
Certified Public Accountant (UBA)  
C.P.C.E.C.A.B.A. VOL. 145 - FOL. 150

Jorge Carlos Rendo  
Chairman

## Consolidated Statement of Changes in Equity

For the years ended  
December 31, 2015 and 2014  
In Argentine Pesos (Ps.)

|                                                                                              | Shareholders' Contributions |                                             |                               |                      |
|----------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------|-------------------------------|----------------------|
|                                                                                              | Capital Stock               | Inflation<br>Adjustment on<br>Capital Stock | Additional<br>Paid-in Capital | Subtotal             |
| Balances as of January 1st, 2014                                                             | 287,418,584                 | 309,885,253                                 | 1,413,334,666                 | 2,010,638,503        |
| Set-up of reserves                                                                           | -                           | -                                           | -                             | -                    |
| Dividend Distribution                                                                        | -                           | -                                           | -                             | -                    |
| Dividends and Other Movements<br>of Non-Controlling Interest                                 | -                           | -                                           | -                             | -                    |
| Changes in Reserves for Acquisition<br>of Investments                                        | -                           | -                                           | -                             | -                    |
| Net Income for the Year                                                                      | -                           | -                                           | -                             | -                    |
| Other Comprehensive Income:<br>Variation in Translation Differences<br>of Foreign Operations | -                           | -                                           | -                             | -                    |
| <b>Balances as of December 31, 2014</b>                                                      | <b>287,418,584</b>          | <b>309,885,253</b>                          | <b>1,413,334,666</b>          | <b>2,010,638,503</b> |
| Set-up of Reserves (Note 14)                                                                 | -                           | -                                           | -                             | -                    |
| Dividend Distribution                                                                        | -                           | -                                           | -                             | -                    |
| Dividends and Other Movements<br>of Non-Controlling Interest                                 | -                           | -                                           | -                             | -                    |
| Changes in Reserves for Acquisition<br>of Investments                                        | -                           | -                                           | -                             | -                    |
| Net Income for the Year                                                                      | -                           | -                                           | -                             | -                    |
| Other Comprehensive Income:<br>Variation in Translation Differences<br>of Foreign Operations | -                           | -                                           | -                             | -                    |
| <b>Balances as of December 31, 2015</b>                                                      | <b>287,418,584</b>          | <b>309,885,253</b>                          | <b>1,413,334,666</b>          | <b>2,010,638,503</b> |

(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, (iii) Optional reserve for illiquidity of results of Ps. 694,371,899 and (iv) Optional reserve to provide financial aid to subsidiaries and in connection with the Audiovisual Communication Services Law of Ps. 1,244,277,741.

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



| Equity attributable to Shareholders of the Parent Company |                    |                    |                                     |                        |                                             |                                                           |                       |              |
|-----------------------------------------------------------|--------------------|--------------------|-------------------------------------|------------------------|---------------------------------------------|-----------------------------------------------------------|-----------------------|--------------|
| Translation<br>of Foreign<br>Operations                   | Other items        | Retained Earnings  |                                     |                        | Total Equity<br>of Controlling<br>Interests | Equity<br>Attributable to<br>Non-Controlling<br>Interests |                       | Total Equity |
|                                                           | Other<br>Reserves  | Legal<br>Reserve   | <sup>(1)</sup> Optional<br>reserves | Accumulated<br>Results |                                             |                                                           |                       |              |
| 283,025,052                                               | 5,207,274          | 112,710,297        | 1,838,495,623                       | 479,831,556            | 4,729,908,305                               | 1,748,885,854                                             | 6,478,794,159         |              |
| -                                                         | -                  | 6,750,470          | 233,081,086                         | (239,831,556)          | -                                           | -                                                         | -                     |              |
| -                                                         | -                  | -                  | -                                   | (240,000,000)          | (240,000,000)                               | -                                                         | (240,000,000)         |              |
| -                                                         | -                  | -                  | -                                   | -                      | -                                           | (173,220,528)                                             | (173,220,528)         |              |
| -                                                         | (5,416,960)        | -                  | -                                   | -                      | (5,416,960)                                 | -                                                         | (5,416,960)           |              |
| -                                                         | -                  | -                  | -                                   | 804,101,687            | 804,101,687                                 | 541,359,977                                               | 1,345,461,664         |              |
| 194,429,342                                               | -                  | -                  | -                                   | -                      | 194,429,342                                 | 165,438,983                                               | 359,868,325           |              |
| <b>477,454,394</b>                                        | <b>(209,686)</b>   | <b>119,460,767</b> | <b>2,071,576,709</b>                | <b>804,101,687</b>     | <b>5,483,022,374</b>                        | <b>2,282,464,286</b>                                      | <b>7,765,486,660</b>  |              |
| -                                                         | -                  | -                  | 554,101,687                         | (554,101,687)          | -                                           | -                                                         | -                     |              |
| -                                                         | -                  | -                  | -                                   | (250,000,000)          | (250,000,000)                               | -                                                         | (250,000,000)         |              |
| -                                                         | -                  | -                  | -                                   | -                      | -                                           | (185,625,298)                                             | (185,625,298)         |              |
| -                                                         | (3,444,081)        | -                  | -                                   | -                      | (3,444,081)                                 | -                                                         | (3,444,081)           |              |
| -                                                         | -                  | -                  | -                                   | 1,884,929,369          | 1,884,929,369                               | 1,030,981,112                                             | 2,915,910,481         |              |
| -                                                         | -                  | -                  | -                                   | -                      | -                                           | -                                                         | -                     |              |
| 118,443,011                                               | -                  | -                  | -                                   | -                      | 118,443,011                                 | 47,468,897                                                | 165,911,908           |              |
| <b>595,897,405</b>                                        | <b>(3,653,767)</b> | <b>119,460,767</b> | <b>2,625,678,396</b>                | <b>1,884,929,369</b>   | <b>7,232,950,673</b>                        | <b>3,175,288,997</b>                                      | <b>10,408,239,670</b> |              |

Signed for identification purposes  
with the report dated March 9, 2016

See our report dated March 9, 2016  
Price Waterhouse & Co. S.R.L.  
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

**Carlos Alberto Pedro Di Candia**  
Chairman of the Supervisory Committee

**Dra. Teresita M. Amor** (Partner)  
Certified Public Accountant (UBA)  
C.P.C.E.C.A.B.A. VOL. 145 - FOL. 150

**Jorge Carlos Rendo**  
Chairman

## Consolidated Statement of Cash Flows

For the years ended  
December 31, 2015 and 2014  
In Argentine Pesos (Ps.)

|                                                                                               | December 31, 2015    | December 31, 2014    |
|-----------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Cash provided by Operating Activities</b>                                                  |                      |                      |
| Net Income for the Year                                                                       | 2,915,910,481        | 1,345,461,664        |
| Income Tax and Tax on Assets                                                                  | 1,229,512,944        | 590,065,354          |
| Accrued Interest, net                                                                         | 508,531,486          | 467,663,617          |
| Adjustments to reconcile net income for the year<br>to cash provided by operating activities: |                      |                      |
| - Depreciation of Property, Plant and Equipment                                               | 1,616,995,841        | 1,273,670,333        |
| - Amortization of Intangible Assets and Film Library                                          | 178,476,610          | 171,192,476          |
| - Net of allowances                                                                           | 395,243,945          | 308,809,307          |
| - Financial Income, except interest                                                           | 1,281,807,954        | 916,000,785          |
| - Equity in Earnings from Affiliates and Subsidiaries                                         | (544,629,950)        | (71,895,433)         |
| - Other Income and Expense                                                                    | (11,834,986)         | (2,429,866)          |
| Changes in Assets and Liabilities:                                                            |                      |                      |
| - Trade Receivables                                                                           | (1,081,152,917)      | (981,796,079)        |
| - Other Receivables                                                                           | (549,221,729)        | 128,424,822          |
| - Inventories                                                                                 | (200,112,307)        | (4,926,577)          |
| - Other Assets                                                                                | (3,623,522)          | (8,147,338)          |
| - Trade Payables and Other                                                                    | 1,733,409,930        | 693,891,890          |
| - Taxes Payable                                                                               | (103,331,874)        | (50,789,403)         |
| - Other Liabilities                                                                           | 105,340,775          | 42,841,380           |
| - Provisions                                                                                  | (68,382,752)         | (61,751,565)         |
| Income Tax and Tax on Assets Payments                                                         | (968,324,342)        | (300,721,859)        |
| <b>Net Cash Flows Provided by Operating Activities</b>                                        | <b>6,434,615,587</b> | <b>4,455,563,508</b> |

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**Dra. Teresita M. Amor** (Partner)  
Certified Public Accountant (UBA)  
C.R.C.E.C.A.B.A. VOL. 145 - FOL. 150

|                                                                            | December 31, 2015      | December 31, 2014                   |
|----------------------------------------------------------------------------|------------------------|-------------------------------------|
| <b>Cash provided by Investment Activities</b>                              |                        |                                     |
| - Acquisition of Property, Plant and Equipment, net                        | (4,306,500,821)        | (2,518,051,100)                     |
| - Acquisition of Intangible Assets                                         | (84,902,589)           | (52,783,723)                        |
| - Acquisition of Subsidiaries, Net of Cash Acquired                        | (817,329,686)          | (7,496,998)                         |
| - Acquisition of Call Option                                               | (849,919,134)          | -                                   |
| - Proceeds from Sale of Property, Plant and Equipment                      | 15,633,257             | 8,084,997                           |
| - Dividends collected                                                      | 76,512,732             | 68,036,191                          |
| - Transactions with Securities, Bonds and Other Financial Instruments, Net | 264,431,126            | (957,385,607)                       |
| - Collections of Interest                                                  | 2,951,410              | 2,330,092                           |
| - Collections of Certificates of Deposit                                   | 262,747,410            | 556,677,572                         |
| <b>Net Cash Flows used in Investment Activities</b>                        | <b>(5,436,376,295)</b> | <b>(2,900,588,576)</b>              |
| <b>Cash provided by Financing Activities</b>                               |                        |                                     |
| - Loans                                                                    | 1,526,831,691          | 994,580,890                         |
| - Repayment of Loans and Issue Expenses                                    | (1,348,076,730)        | (1,684,625,657)                     |
| - Payment of Interest                                                      | (679,689,632)          | (515,163,442)                       |
| - Collections (Settlement) on Derivatives                                  | 55,304,520             | 4,242,112                           |
| - Payment of Dividends                                                     | (250,000,000)          | (240,000,000)                       |
| - Setup of Reserve Account / Escrow Funds                                  | -                      | (11,428,239)                        |
| - Payments to Non-Controlling Interests, net                               | (189,836,977)          | (172,501,105)                       |
| <b>Net Cash Flows used in Financing Activities</b>                         | <b>(885,467,128)</b>   | <b>(1,624,895,441)</b>              |
| <b>Financing Results generated by Cash and Cash Equivalents</b>            | <b>847,812,488</b>     | <b>164,435,765</b>                  |
| Net Increase in Cash Flow                                                  | 960,584,652            | 94,515,256                          |
| Cash and Cash Equivalents at the Beginning of the Year (Note 2.25)         | 1,717,383,640          | 1,650,463,169                       |
| Effect of Consolidation of Companies                                       | 27,594,786             | -                                   |
| <b>Cash and Cash Equivalents at the Closing of the Year (Note 2.25)</b>    | <b>2,705,563,078</b>   | <b><sup>(1)</sup> 1,744,978,425</b> |

(1) Includes a reclassification of Ps. 27.6 million as mentioned in Note 13.

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

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Chairman

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2015  
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.

– Digital Content and Other, consisting mainly of digital and Internet content, on-line 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

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. 26,831, it is required to apply such standards as from the year beginning January 1st, 2012. The FACPCE issues Adoption Communications for the enforcement of IASB resolutions in Argentina.

These consolidated financial statements of Grupo Clarín for the year ended December 31, 2015, presented on a comparative basis, have been prepared in accordance with IFRS. Certain additional matters were included as required by the Argentine Business Associations Law and/or CNV regulations, including the supplementary information provided under the last paragraph of Section 1, Chapter III, Title IV of General Resolution No. 622/13. That information is included in the Notes to these consolidated financial statements, as provided under IFRS and CNV rules.

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.

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

The attached consolidated information, approved by the Board of Directors in the meeting held on March 09, 2016, is presented in Argentine Pesos (Ps.), the Argentine legal tender, and arises from accounting records kept by Grupo Clarín S.A. and its subsidiaries.

#### **2.2 Standards and Interpretations issued but not adopted to date**

The Company has not adopted IFRS or revisions of IFRS issued as per the detail below, since their application is not required for the year ended December 31, 2015:

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

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

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

#### **2.3. Standards and Interpretations issued and adopted to date**

- IFRIC 21 Levies: The interpretation establishes how to account for liabilities to pay levies when those liabilities are within the scope of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and when they do not arise from income taxes (IAS 12) or from fines or other penalties imposed for breach of tax legislation. The interpretation clarifies what is the obligating event that triggers the obligation to pay the levy and when an entity should recognize that obligation. This standard is applicable to years beginning on or after January 1, 2014. This standard did not have an impact on the Company’s financial statements.

#### **2.4 Basis for Consolidation**

These consolidated financial statements incorporate the financial statements of the Company and of the subsidiaries and joint ventures (“Interests in Joint Operations”, Note 2.7) controlled by the Company. Control is presumed to exist when the Company has a right to variable returns from its interest in a subsidiary and has the ability to affect those returns through its power over the subsidiary. This power is presumed to exist when evidenced by the votes, be it that the Company has the majority of voting rights or potential rights currently exercised. The subsidiaries are consolidated from the date on which the Company assumes control over them and are excluded from consolidation on the date control ceases. 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<br>Capital Stock and Votes (%) |                   |
|----------------------------|-------------------------------------------------------------------|-------------------|
|                            | December 31, 2015                                                 | December 31, 2014 |
| Cablevisión <sup>(1)</sup> | 60.0%                                                             | 60.0%             |
| PRIMA                      | 60.0%                                                             | 60.0%             |
| AGEA                       | 100.0%                                                            | 100.0%            |
| AGR                        | 100.0%                                                            | 100.0%            |
| CIMECO                     | 100.0%                                                            | 100.0%            |
| ARTEAR <sup>(2)</sup>      | 99.2%                                                             | 99.2%             |
| Pol-Ka                     | 54.6%                                                             | 54.6%             |
| IESA <sup>(3)</sup>        | 100.0%                                                            | -                 |
| Radio Mitre                | 100.0%                                                            | 100.0%            |
| GCGC                       | 100.0%                                                            | 100.0%            |
| CMD                        | 100.0%                                                            | 100.0%            |
| GC Services                | 100.0%                                                            | 100.0%            |
| GCSA Investments           | 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%.

(3) See Note 13.

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 Structured 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 IFRS 10 "Consolidated Financial Statements", 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 under 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 that 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 operation 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, without exerting control, generally accompanied by equity holdings of between 20% and 50% of voting rights.

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 consistent 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 Operations**

A joint operation 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 IFRS 11 "Joint Arrangements", 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"), considered joint operations under IFRS 11, 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 previously held 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.

### **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 buyers.

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 and Paraguayan companies, are the Uruguayan Peso and the Guarani, 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 and Guarani) 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 as part of the cost of these assets until they are ready for their intended use or sale, according to IAS 23 ("Borrowing Costs").

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 Income 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 Income 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 income 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, which is 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 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 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 Provisions and Other**

Provisions for Lawsuits and Contingencies and the accrual 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 under 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 Receivables**

##### **2.22.1 Call Option**

The call option included under the item Other Receivables has been valued at its acquisition cost.

##### **2.23 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.

#### 2.24 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.

An entity shall cease to classify assets and liabilities held for sale as such when the conditions required under IFRS 5 are not met.

Pursuant to IFRS 5, if the Company ceases to classify a component as held for sale, the results of that component that were previously presented under discontinued operations must be reclassified and included under income from continuing operations for all periods presented. The Company will not reclassify or present amounts that have already been presented of

non-current assets or assets and liabilities of disposal groups of elements which have been classified as held for sale in previous years, in order to reflect the same classification as that disclosed in the balance sheet of the last financial statements.

#### 2.25 Consolidated Statement of Cash Flows

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

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

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

|                                  | December 31, 2015    | December 31, 2014    |
|----------------------------------|----------------------|----------------------|
| Cash and Banks                   | 2,025,780,934        | 1,161,628,319        |
| Short-Term Investments           | 679,782,144          | 555,755,321          |
| <b>Cash and Cash Equivalents</b> | <b>2,705,563,078</b> | <b>1,717,383,640</b> |

In the years ended December 31, 2015 and 2014, the following significant transactions were carried out, which did not have an impact on cash and cash equivalents:

|                                             | December 31, 2015 | December 31, 2014 |
|---------------------------------------------|-------------------|-------------------|
| Dividends collected through debt settlement | 12,000,000        | 7,650,000         |
| Interest settlement through reserve account | 1,100,400         | 11,428,239        |

### **2.26 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 at the Shareholders' Meeting.

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## **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 that 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 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.

### **Recognition and Measurement of Deferred Income 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.

### **Provisions for Lawsuits and Contingencies**

The elements taken into consideration for the calculation of the Provision for Lawsuits and Contingencies are determined based on the present value of the estimated costs arising from the lawsuits brought against the Company, taking into consideration the opinion of its legal advisors.

### **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.

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## 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 Telecor, Telba, Pol-Ka, Auto Sports, Grupo Carburando.

– Digital Content and Other: mainly comprises the operations of its controlled companies CMD and subsidiaries, OSA, FEASA 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.

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, 2015 and 2014, prepared on the basis of IFRS, for the business segments identified by the Company. Note 1 to these consolidated financial statements includes additional information about the Company's businesses.

|                                                                                        | Cable<br>Television<br>and Internet<br>Access | Printing<br>and<br>Publishing | Broadcasting<br>and<br>Programming | Digital Content<br>and Other | <sup>(1)</sup> Deletions | <sup>(2)</sup> Adjustments | Consolidated         |
|----------------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------|------------------------------------|------------------------------|--------------------------|----------------------------|----------------------|
| <b>Information arising from consolidated income statements as of December 31, 2015</b> |                                               |                               |                                    |                              |                          |                            |                      |
| Net Sales to Third Parties <sup>(3)</sup>                                              | 19,976,650,205                                | 3,978,379,230                 | 3,352,809,655                      | 372,033,360                  | -                        | 111,657,238                | 27,791,529,688       |
| Intersegment Sales                                                                     | 37,049,795                                    | 325,013,561                   | 248,551,251                        | 388,953,766                  | (999,568,373)            | -                          | -                    |
| Net Sales                                                                              | 20,013,700,000                                | 4,303,392,791                 | 3,601,360,906                      | 760,987,126                  | (999,568,373)            | 111,657,238                | 27,791,529,688       |
| Cost of sales (excluding depreciation and amortization)                                | (7,475,270,224)                               | (2,472,370,883)               | (2,007,924,864)                    | (397,856,279)                | 410,959,648              | (316,281,194)              | (12,258,743,796)     |
| Subtotal                                                                               | 12,538,429,776                                | 1,831,021,908                 | 1,593,436,042                      | 363,130,847                  | (588,608,725)            | (204,623,956)              | 15,532,785,892       |
| Expenses - excluding depreciation and amortization                                     |                                               |                               |                                    |                              |                          |                            |                      |
| - Selling Expenses                                                                     | (2,444,400,263)                               | (1,031,676,498)               | (214,058,110)                      | (94,033,582)                 | 229,072,147              | -                          | (3,555,096,306)      |
| - Administrative Expenses                                                              | (2,594,729,513)                               | (686,794,683)                 | (427,087,164)                      | (267,819,259)                | 359,536,578              | -                          | (3,616,894,041)      |
| <b>Adjusted EBITDA</b>                                                                 | <b>7,499,300,000</b>                          | <b>112,550,727</b>            | <b>952,290,768</b>                 | <b>1,278,006</b>             | <b>-</b>                 | <b>(204,623,956)</b>       | <b>8,360,795,545</b> |
| Depreciation of Property, Plant and Equipment                                          |                                               |                               |                                    |                              |                          |                            | (1,616,995,841)      |
| Amortization of Intangible Assets and Film Library <sup>(4)</sup>                      |                                               |                               |                                    |                              |                          |                            | (178,476,610)        |
| Financial Costs                                                                        |                                               |                               |                                    |                              |                          |                            | (2,934,798,478)      |
| Other Financial Results, net                                                           |                                               |                               |                                    |                              |                          |                            | (129,638,226)        |
| Financial Results                                                                      |                                               |                               |                                    |                              |                          |                            | (3,064,436,704)      |
| Equity in Earnings from Affiliates and Subsidiaries                                    |                                               |                               |                                    |                              |                          |                            | 544,629,950          |
| Other Income and Expense, net                                                          |                                               |                               |                                    |                              |                          |                            | 99,907,085           |
| Income Tax and Tax on Assets                                                           |                                               |                               |                                    |                              |                          |                            | (1,229,512,944)      |
| <b>Net Income for the Year</b>                                                         |                                               |                               |                                    |                              |                          |                            | <b>2,915,910,481</b> |
| <b>Additional consolidated information as of December 31, 2015</b>                     |                                               |                               |                                    |                              |                          |                            |                      |
| Acquisition of Property, Plant and Equipment                                           | 4,172,548,088                                 | 52,719,081                    | 76,291,518                         | 4,942,134                    | -                        | -                          | 4,306,500,821        |
| Acquisition of Intangible Assets                                                       | 6,777,958                                     | 52,460,919                    | 9,012,238                          | 16,651,473                   | -                        | -                          | 84,902,588           |
| Ordinary Income from Foreign Operations                                                | 718,406,183                                   | -                             | -                                  | -                            | -                        | -                          | 718,406,183          |
| Non-Current Assets Held Abroad                                                         | 616,527,051                                   | 11,872,296                    | -                                  | -                            | -                        | -                          | 628,399,347          |

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

(2) Recognition of revenues from cable TV and Internet installation services and transactions including separate items and the non-consolidation of special purpose entities, corresponding to the cable TV and Internet access segment.

(3) Includes also sales to unconsolidated companies.

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

|                                                                                        | Cable<br>Television<br>and Internet<br>Access | Printing<br>and<br>Publishing | Broadcasting<br>and<br>Programming | Digital Content<br>and Other | <sup>(1)</sup> Deletions | <sup>(2)</sup> Adjustments | Consolidated         |
|----------------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------|------------------------------------|------------------------------|--------------------------|----------------------------|----------------------|
| <b>Information arising from consolidated income statements as of December 31, 2014</b> |                                               |                               |                                    |                              |                          |                            |                      |
| Net Sales to Third Parties <sup>(3)</sup>                                              | 14,188,272,650                                | 2,787,211,015                 | 2,401,273,165                      | 320,265,281                  | -                        | 12,583,892                 | 19,709,606,003       |
| Intersegment Sales                                                                     | 25,274,906                                    | 249,435,720                   | 185,074,125                        | 293,635,860                  | (753,420,611)            | -                          | -                    |
| Net Sales                                                                              | 14,213,547,556                                | 3,036,646,735                 | 2,586,347,290                      | 613,901,141                  | (753,420,611)            | 12,583,892                 | 19,709,606,003       |
| Cost of sales (excluding depreciation and amortization)                                | (5,848,721,170)                               | (1,983,630,364)               | (1,600,187,185)                    | (345,552,476)                | 339,910,816              | (242,568,036)              | (9,680,748,415)      |
| Subtotal                                                                               | 8,364,826,386                                 | 1,053,016,371                 | 986,160,105                        | 268,348,665                  | (413,509,795)            | (229,984,144)              | 10,028,857,588       |
| Expenses - excluding depreciation and amortization                                     |                                               |                               |                                    |                              |                          |                            |                      |
| - Selling Expenses                                                                     | (1,739,679,879)                               | (625,360,231)                 | (149,764,980)                      | (83,414,563)                 | 156,684,316              | -                          | (2,441,535,337)      |
| - Administrative Expenses                                                              | (1,701,444,524)                               | (564,352,602)                 | (340,906,812)                      | (197,886,045)                | 256,825,479              | -                          | (2,547,764,504)      |
| <b>Adjusted EBITDA</b>                                                                 | <b>4,923,701,983</b>                          | <b>(136,696,462)</b>          | <b>495,488,313</b>                 | <b>(12,951,943)</b>          | <b>-</b>                 | <b>(229,984,144)</b>       | <b>5,039,557,747</b> |
| Depreciation of Property, Plant and Equipment                                          |                                               |                               |                                    |                              |                          |                            | (1,273,670,333)      |
| Amortization of Intangible Assets and Film Library <sup>(4)</sup>                      |                                               |                               |                                    |                              |                          |                            | (171,192,476)        |
| Financial Costs                                                                        |                                               |                               |                                    |                              |                          |                            | (1,720,839,210)      |
| Other Financial Results, net                                                           |                                               |                               |                                    |                              |                          |                            | (9,585,875)          |
| Financial Results                                                                      |                                               |                               |                                    |                              |                          |                            | (1,730,425,085)      |
| Equity in Earnings from Affiliates and Subsidiaries                                    |                                               |                               |                                    |                              |                          |                            | 71,895,433           |
| Other Income and Expense, net                                                          |                                               |                               |                                    |                              |                          |                            | (638,268)            |
| Income Tax and Tax on Assets                                                           |                                               |                               |                                    |                              |                          |                            | (590,065,354)        |
| <b>Net Income for the Year</b>                                                         |                                               |                               |                                    |                              |                          |                            | <b>1,345,461,664</b> |
| <b>Additional consolidated information as of December 31, 2014</b>                     |                                               |                               |                                    |                              |                          |                            |                      |
| Acquisition of Property, Plant and Equipment                                           | 2,370,672,307                                 | 85,466,008                    | 51,680,734                         | 10,232,051                   | -                        | -                          | 2,518,051,100        |
| Acquisition of Intangible Assets                                                       | 8,044,237                                     | 22,479,731                    | 10,568,833                         | 11,690,922                   | -                        | -                          | 52,783,723           |
| Ordinary Income from Foreign Operations                                                | 639,586,424                                   | -                             | -                                  | -                            | -                        | -                          | 639,586,424          |
| Non-Current Assets Held Abroad                                                         | 653,759,434                                   | 9,940,835                     | -                                  | -                            | -                        | -                          | 663,700,269          |

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

(2) Recognition of revenues from cable TV and Internet installation services and transactions including separate items and the non-consolidation of special purpose entities, corresponding to the cable TV and Internet access segment.

(3) Includes also sales to unconsolidated companies.

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

## Note 5

### Breakdown of the main items of the Balance Sheet

#### 5.1 Property, Plant and Equipment

| Main Account                                                                            |                          |                                   |                      |                                                                         |                        |                 | Historical value                 |
|-----------------------------------------------------------------------------------------|--------------------------|-----------------------------------|----------------------|-------------------------------------------------------------------------|------------------------|-----------------|----------------------------------|
|                                                                                         | Balance at the Beginning | Cumulative Translation Adjustment | Additions            | Consolidation of companies <sup>(1)</sup> and acquisition of businesses | Retirements            | Transfers       | Balances as of December 31, 2015 |
| Real Property                                                                           | 658,057,475              | (952,276)                         | 5,417,803            | 3,154,230                                                               | (16,828,964)           | 13,914,307      | 662,762,575                      |
| Furniture and Fixtures                                                                  | 121,382,067              | (2,689,468)                       | 6,809,267            | 1,321,404                                                               | (2,081,515)            | 487,322         | 125,229,077                      |
| Telecommunication, Audio and Video Equipment                                            | 239,146,325              | -                                 | 20,723,835           | 3,053,766                                                               | (210,410)              | -               | 262,713,516                      |
| External Network and Broadcasting Equipment                                             | 5,912,923,981            | (71,613,502)                      | 1,330,748,014        | -                                                                       | (878,842,497)          | 1,115,460,734   | 7,408,676,730                    |
| Computer Equipment                                                                      | 711,449,238              | (1,529,008)                       | 187,907,472          | 751,682                                                                 | (61,210,831)           | 97,000,277      | 934,368,830                      |
| Technical Equipment                                                                     | 105,035,192              | -                                 | 2,045,691            | 15,692,408                                                              | -                      | 1,607,382       | 124,380,673                      |
| Workshop Machinery                                                                      | 610,359,802              | -                                 | 2,897,902            | 21,032,437                                                              | (14,345,818)           | 4,694,378       | 624,638,701                      |
| Tools                                                                                   | 112,637,714              | (529,849)                         | 1,841,558            | 740,909                                                                 | (768,148)              | 31,570,255      | 145,492,439                      |
| Spare Parts                                                                             | 58,122,179               | -                                 | 7,888,884            | -                                                                       | -                      | -               | 66,011,063                       |
| Installations                                                                           | 486,083,624              | -                                 | 7,442,351            | 650,167                                                                 | (11,195,142)           | 14,051,153      | 497,032,153                      |
| Vehicles                                                                                | 219,926,256              | (1,110,105)                       | 146,844,638          | 2,066,966                                                               | (42,300,778)           | -               | 325,426,977                      |
| Plots                                                                                   | 16,048,610               | -                                 | 277,887              | -                                                                       | (10,107,786)           | -               | 6,218,711                        |
| Materials in Warehouse                                                                  | 964,956,185              | (4,325,605)                       | 2,286,060,198        | -                                                                       | (169,389,977)          | (1,461,436,853) | 1,615,863,948                    |
| Works-In-Progress                                                                       | 667,424,627              | (3,199,421)                       | 458,745,305          | 305,989                                                                 | -                      | 180,730,318     | 1,304,006,818                    |
| Leasehold Improvements                                                                  | 54,125,246               | -                                 | 6,514,738            | 1,112,883                                                               | -                      | 1,920,727       | 63,673,594                       |
| Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials | (17,799,368)             | 178,871                           | (5,338,639)          | -                                                                       | 257,512                | -               | (22,701,624)                     |
| <b>Total as of December 31, 2015</b>                                                    | <b>10,919,879,153</b>    | <b>(85,770,363)</b>               | <b>4,466,826,904</b> | <b>49,882,841</b>                                                       | <b>(1,207,024,354)</b> | <b>-</b>        | <b>14,143,794,181</b>            |

| Main Account                                                                            | Balance at the Beginning | Consolidation of companies <sup>(1)</sup> and acquisition of businesses | Cumulative Translation Adjustment | Retirements            | Accumulated Depreciation |                                  | Net Book Value as of December 31, 2015 |
|-----------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------|-----------------------------------|------------------------|--------------------------|----------------------------------|----------------------------------------|
|                                                                                         |                          |                                                                         |                                   |                        | For the year             | Balances as of December 31, 2015 |                                        |
| Real Property                                                                           | 262,815,838              | 405,995                                                                 | (449,388)                         | (15,706,777)           | 13,555,072               | 260,620,740                      | 402,141,835                            |
| Furniture and Fixtures                                                                  | 97,757,693               | 624,324                                                                 | (1,670,467)                       | (2,012,612)            | 4,952,396                | 99,651,334                       | 25,577,743                             |
| Telecommunication, Audio and Video Equipment                                            | 202,513,397              | 2,447,363                                                               | -                                 | (172,632)              | 13,344,160               | 218,132,288                      | 44,581,228                             |
| External Network and Broadcasting Equipment                                             | 2,118,666,426            | -                                                                       | (48,316,661)                      | (878,470,923)          | 1,357,712,176            | 2,549,591,018                    | 4,859,085,712                          |
| Computer Equipment                                                                      | 519,991,413              | 473,312                                                                 | (1,458,724)                       | (61,164,097)           | 103,364,664              | 561,206,568                      | 373,162,262                            |
| Technical Equipment                                                                     | 71,449,559               | 9,782,642                                                               | -                                 | -                      | 8,560,923                | 89,793,124                       | 34,587,549                             |
| Workshop Machinery                                                                      | 524,365,676              | 17,014,217                                                              | -                                 | (9,061,401)            | 9,874,106                | 542,192,598                      | 82,446,103                             |
| Tools                                                                                   | 87,563,295               | 654,000                                                                 | (315,059)                         | (508,170)              | 25,787,265               | 113,181,331                      | 32,311,108                             |
| Spare Parts                                                                             | 45,476,255               | -                                                                       | -                                 | -                      | 6,435,833                | 51,912,088                       | 14,098,975                             |
| Installations                                                                           | 395,122,707              | 421,684                                                                 | -                                 | (11,170,918)           | 28,046,162               | 412,419,635                      | 84,612,518                             |
| Vehicles                                                                                | 169,416,833              | 922,361                                                                 | (929,366)                         | (41,682,756)           | 37,275,662               | 165,002,734                      | 160,424,243                            |
| Plots                                                                                   | 15,607,462               | -                                                                       | -                                 | (10,107,786)           | 224,936                  | 5,724,612                        | 494,099                                |
| Materials in Warehouse                                                                  | -                        | -                                                                       | -                                 | -                      | -                        | -                                | 1,615,863,948                          |
| Works-In-Progress                                                                       | 390,796                  | -                                                                       | -                                 | -                      | -                        | 390,796                          | 1,303,616,022                          |
| Leasehold Improvements                                                                  | 38,806,689               | 180,636                                                                 | 259,147                           | -                      | 7,862,486                | 47,108,958                       | 16,564,636                             |
| Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials | (257,512)                | -                                                                       | -                                 | 257,512                | -                        | -                                | (22,701,624)                           |
| <b>Total as of December 31, 2015</b>                                                    | <b>4,549,686,527</b>     | <b>32,926,534</b>                                                       | <b>(52,880,518)</b>               | <b>(1,029,800,560)</b> | <b>1,616,995,841</b>     | <b>5,116,927,824</b>             | <b>9,026,866,357</b>                   |

(1) See Note 13.

| Main Account                                                                            | Balance at the Beginning | Cumulative Translation Adjustment | Additions            | <sup>(1)</sup> Deconsolidation of Subsidiaries | Retirements            | Transfers     | Historical value                 |
|-----------------------------------------------------------------------------------------|--------------------------|-----------------------------------|----------------------|------------------------------------------------|------------------------|---------------|----------------------------------|
|                                                                                         |                          |                                   |                      |                                                |                        |               | Balances as of December 31, 2014 |
| Real Property                                                                           | 647,034,020              | 233,335                           | 4,903,585            | (2,821,934)                                    | (4,217,786)            | 12,926,255    | 658,057,475                      |
| Furniture and Fixtures                                                                  | 111,824,512              | 4,246,325                         | 5,829,791            | (564,507)                                      | (108,668)              | 154,614       | 121,382,067                      |
| Telecommunication, Audio and Video Equipment                                            | 229,470,319              | (32,810)                          | 13,927,114           | (3,020,956)                                    | (1,558,111)            | 360,769       | 239,146,325                      |
| External Network and Broadcasting Equipment                                             | 4,758,347,443            | 105,173,876                       | 974,143,861          | -                                              | (745,972,205)          | 821,231,006   | 5,912,923,981                    |
| Computer Equipment                                                                      | 548,734,772              | 2,593,355                         | 94,451,812           | (783,992)                                      | (4,153,679)            | 70,606,970    | 711,449,238                      |
| Technical Equipment                                                                     | 110,547,970              | -                                 | 39,285,047           | (14,566,154)                                   | (7,399)                | (30,224,272)  | 105,035,192                      |
| Workshop Machinery                                                                      | 583,703,084              | -                                 | 27,172,137           | (23,146,532)                                   | (96,087)               | 22,727,200    | 610,359,802                      |
| Tools                                                                                   | 86,394,729               | 687,676                           | 977,402              | (331,101)                                      | (63,216)               | 24,972,224    | 112,637,714                      |
| Spare Parts                                                                             | 51,638,877               | -                                 | 6,483,302            | -                                              | -                      | -             | 58,122,179                       |
| Installations                                                                           | 460,682,963              | (80,383)                          | 17,040,270           | (543,735)                                      | (5,941,438)            | 14,925,947    | 486,083,624                      |
| Vehicles                                                                                | 200,560,150              | 1,723,776                         | 20,199,230           | (1,564,971)                                    | (991,929)              | -             | 219,926,256                      |
| Plots                                                                                   | 17,219,818               | -                                 | 308,782              | (1,479,990)                                    | -                      | -             | 16,048,610                       |
| Materials in Warehouse                                                                  | 756,832,376              | 4,904,016                         | 1,390,743,543        | (1,938,793)                                    | (290,128,022)          | (895,456,935) | 964,956,185                      |
| Works-In-Progress                                                                       | 490,123,231              | 4,901,574                         | 216,596,637          | (415,823)                                      | (30,885)               | (43,750,107)  | 667,424,627                      |
| Leasehold Improvements                                                                  | 43,550,811               | -                                 | 10,539,170           | (963,800)                                      | (527,264)              | 1,526,329     | 54,125,246                       |
| Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials | (17,514,571)             | (284,797)                         | -                    | -                                              | -                      | -             | (17,799,368)                     |
| <b>Total as of December 31, 2014</b>                                                    | <b>9,079,150,504</b>     | <b>124,065,943</b>                | <b>2,822,601,683</b> | <b>(52,142,288)</b>                            | <b>(1,053,796,689)</b> | <b>-</b>      | <b>10,919,879,153</b>            |



| Main Account                                                                            | Balance at the Beginning | <sup>(1)</sup> Deconsolidation of Subsidiaries | Cumulative Translation Adjustment | Retirements          | Accumulated Depreciation            |                                  | Net Book Value as of December 31, 2014 |
|-----------------------------------------------------------------------------------------|--------------------------|------------------------------------------------|-----------------------------------|----------------------|-------------------------------------|----------------------------------|----------------------------------------|
|                                                                                         |                          |                                                |                                   |                      | For the year                        | Balances as of December 31, 2014 |                                        |
| Real Property                                                                           | 251,100,533              | (334,536)                                      | (176,824)                         | (477,742)            | 12,704,407                          | 262,815,838                      | 395,241,637                            |
| Furniture and Fixtures                                                                  | 90,108,561               | (414,975)                                      | 3,252,241                         | (108,668)            | 4,920,534                           | 97,757,693                       | 23,624,374                             |
| Telecommunication, Audio and Video Equipment                                            | 194,724,230              | (2,417,692)                                    | (29,671)                          | (1,268,167)          | 11,504,697                          | 202,513,397                      | 36,632,928                             |
| External Network and Broadcasting Equipment                                             | 1,697,665,206            | -                                              | 76,433,064                        | (745,807,261)        | 1,090,375,417                       | 2,118,666,426                    | 3,794,257,555                          |
| Computer Equipment                                                                      | 468,175,275              | (689,146)                                      | 2,481,075                         | (4,367,764)          | 54,391,973                          | 519,991,413                      | 191,457,825                            |
| Technical Equipment                                                                     | 71,701,424               | (5,457,266)                                    | -                                 | (7,399)              | 5,212,800                           | 71,449,559                       | 33,585,633                             |
| Workshop Machinery                                                                      | 535,353,621              | (19,994,563)                                   | -                                 | (79,272)             | 9,085,890                           | 524,365,676                      | 85,994,126                             |
| Tools                                                                                   | 68,113,844               | (273,980)                                      | 422,730                           | (63,216)             | 19,363,917                          | 87,563,295                       | 25,074,419                             |
| Spare Parts                                                                             | 39,816,947               | -                                              | -                                 | -                    | 5,659,308                           | 45,476,255                       | 12,645,924                             |
| Installations                                                                           | 375,137,286              | (385,590)                                      | (3,154)                           | (5,941,438)          | 26,315,603                          | 395,122,707                      | 90,960,917                             |
| Vehicles                                                                                | 148,606,028              | (765,574)                                      | 1,513,669                         | (818,074)            | 20,880,784                          | 169,416,833                      | 50,509,423                             |
| Plots                                                                                   | 16,196,020               | (1,479,990)                                    | -                                 | -                    | 891,432                             | 15,607,462                       | 441,148                                |
| Materials in Warehouse                                                                  | 1,938,793                | (1,938,793)                                    | -                                 | -                    | -                                   | -                                | 964,956,185                            |
| Works-In-Progress                                                                       | 114,383                  | (114,383)                                      | -                                 | -                    | 390,796                             | 390,796                          | 667,033,831                            |
| Leasehold Improvements                                                                  | 33,325,179               | (96,293)                                       | -                                 | (527,265)            | 6,105,068                           | 38,806,689                       | 15,318,557                             |
| Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials | (257,512)                | -                                              | -                                 | -                    | -                                   | (257,512)                        | (17,541,856)                           |
| <b>Total as of December 31, 2014</b>                                                    | <b>3,991,819,818</b>     | <b>(34,362,781)</b>                            | <b>83,893,130</b>                 | <b>(759,466,266)</b> | <sup>(2)</sup> <b>1,267,802,626</b> | <b>4,549,686,527</b>             | <b>6,370,192,626</b>                   |

(1) See Note 13.

(2) Does not include Ps. 5.9 million corresponding to depreciation included as of December 31, 2014 in Income/loss from discontinued operations (See Note 13).

The following table details the average years of useful life of the items comprising Property, Plant and Equipment:

| Item                                         | Average Useful Life<br>(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                         |                             |                                         |                   |                                                                                  |                    |              | Historical value                       |
|--------------------------------------|-----------------------------|-----------------------------------------|-------------------|----------------------------------------------------------------------------------|--------------------|--------------|----------------------------------------|
|                                      | Balance at<br>the Beginning | Cumulative<br>Translation<br>Adjustment | Additions         | Consolidation<br>of companies <sup>(1)</sup><br>and acquisition<br>of businesses | Retirements        | Transfers    | Balances as of<br>December 31,<br>2015 |
| Exploitation Rights and Licenses     | 33,898,031                  | -                                       | 4,692,621         | 85,945                                                                           | -                  | -            | 38,676,597                             |
| Exclusivity Agreements               | 17,091,041                  | -                                       | -                 | -                                                                                | -                  | -            | 17,091,041                             |
| Other Rights                         | 15,054,396                  | -                                       | -                 | -                                                                                | -                  | -            | 15,054,396                             |
| Acquisition Value of                 |                             |                                         |                   |                                                                                  |                    |              |                                        |
| Subscriber Portfolio                 | 975,213,788                 | -                                       | 7,053,073         | -                                                                                | -                  | 4,000        | 982,270,861                            |
| Software                             | 255,545,612                 | -                                       | 36,709,394        | 3,538,842                                                                        | (822,680)          | 26,746,544   | 321,717,712                            |
| Trademarks and Patents               | 6,739,272                   | 856,288                                 | 5,868,093         | 12,790                                                                           | -                  | -            | 13,476,443                             |
| Projects in-Progress                 | 7,389,943                   | -                                       | 25,149,695        | -                                                                                | -                  | (26,746,544) | 5,793,094                              |
| Other                                | 80,536,694                  | (54,315)                                | 4,483,223         | 43,609,087                                                                       | (383,294)          | (4,000)      | 128,187,395                            |
| <b>Total as of December 31, 2015</b> | <b>1,391,468,777</b>        | <b>801,973</b>                          | <b>83,956,099</b> | <b>47,246,664</b>                                                                | <b>(1,205,974)</b> | <b>-</b>     | <b>1,522,267,539</b>                   |

| Main Account                         | Balance at the Beginning | Cumulative Translation Adjustment | Consolidation of companies <sup>(1)</sup> and acquisition of businesses | Retirements | Accumulated Amortization |                                  | Net Book Value as of December 31, 2015 |
|--------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------------------------|-------------|--------------------------|----------------------------------|----------------------------------------|
|                                      |                          |                                   |                                                                         |             | For the year             | Balances as of December 31, 2015 |                                        |
| Exploitation Rights and Licenses     | 28,327,861               | -                                 | 85,945                                                                  | -           | 2,751,905                | 31,165,711                       | 7,510,886                              |
| Exclusivity Agreements               | 11,127,022               | -                                 | -                                                                       | -           | 1,036,771                | 12,163,793                       | 4,927,248                              |
| Other Rights                         | 13,345,820               | -                                 | -                                                                       | -           | 518,937                  | 13,864,757                       | 1,189,639                              |
| Acquisition Value of                 |                          |                                   |                                                                         |             |                          |                                  |                                        |
| Subscriber Portfolio                 | 804,700,780              | -                                 | -                                                                       | -           | 100,964,541              | 905,665,321                      | 76,605,540                             |
| Software                             | 138,643,183              | (722)                             | 918,024                                                                 | -           | 56,864,372               | 196,424,857                      | 125,292,855                            |
| Trademarks and Patents               | 5,308,350                | 431,340                           | 7,501                                                                   | -           | 1,127,451                | 6,874,642                        | 6,601,801                              |
| Projects in-Progress                 | -                        | -                                 | -                                                                       | -           | -                        | -                                | 5,793,094                              |
| Other                                | 59,401,630               | (30,779)                          | 27,243,867                                                              | -           | 11,347,174               | 97,961,892                       | 30,225,503                             |
| <b>Total as of December 31, 2015</b> | <b>1,060,854,646</b>     | <b>399,839</b>                    | <b>28,255,337</b>                                                       | <b>-</b>    | <b>174,611,151</b>       | <b>1,264,120,973</b>             | <b>258,146,566</b>                     |

(1) See Note 13.

| Main Account                         | Balance at the Beginning | Cumulative Translation Adjustment | Additions         | <sup>(1)</sup> Deconsolidation of Subsidiaries | Retirements     | Transfers    | Historical value                 |
|--------------------------------------|--------------------------|-----------------------------------|-------------------|------------------------------------------------|-----------------|--------------|----------------------------------|
|                                      |                          |                                   |                   |                                                |                 |              | Balances as of December 31, 2014 |
| Exploitation Rights and Licenses     | 31,325,943               | -                                 | 2,658,033         | (85,945)                                       | -               | -            | 33,898,031                       |
| Exclusivity Agreements               | 17,091,041               | -                                 | -                 | -                                              | -               | -            | 17,091,041                       |
| Other Rights                         | 15,121,687               | -                                 | 55,204            | -                                              | -               | (122,495)    | 15,054,396                       |
| Acquisition Value of                 |                          |                                   |                   |                                                |                 |              |                                  |
| Subscriber Portfolio                 | 975,213,788              | -                                 | -                 | -                                              | -               | -            | 975,213,788                      |
| Software                             | 209,756,914              | 19,430                            | 29,070,793        | (57,853)                                       | (35,011)        | 16,791,339   | 255,545,612                      |
| Trademarks and Patents               | 5,880,214                | -                                 | 871,852           | (12,791)                                       | -               | -            | 6,739,272                        |
| Projects in-Progress                 | 8,528,654                | -                                 | 3,289,085         | -                                              | -               | (4,427,796)  | 7,389,943                        |
| Other                                | 109,800,458              | 43,971                            | 16,838,760        | (33,905,447)                                   | -               | (12,241,048) | 80,536,694                       |
| <b>Total as of December 31, 2014</b> | <b>1,372,718,699</b>     | <b>63,401</b>                     | <b>52,783,727</b> | <b>(34,062,036)</b>                            | <b>(35,011)</b> | <b>-</b>     | <b>1,391,468,777</b>             |

| Main Account                         | Balance at the Beginning | Cumulative Translation Adjustment | <sup>(1)</sup> Deconsolidation of Subsidiaries | Retirements    | Accumulated Amortization          |                                  | Net Book Value as of December 31, 2014 |
|--------------------------------------|--------------------------|-----------------------------------|------------------------------------------------|----------------|-----------------------------------|----------------------------------|----------------------------------------|
|                                      |                          |                                   |                                                |                | For the year                      | Balances as of December 31, 2014 |                                        |
| Exploitation Rights and Licenses     | 25,493,841               | -                                 | (85,945)                                       | -              | 2,919,965                         | 28,327,861                       | 5,570,170                              |
| Exclusivity Agreements               | 10,090,248               | -                                 | -                                              | -              | 1,036,774                         | 11,127,022                       | 5,964,019                              |
| Other Rights                         | 12,672,942               | -                                 | -                                              | -              | 672,878                           | 13,345,820                       | 1,708,577                              |
| Acquisition Value of                 |                          |                                   |                                                |                |                                   |                                  |                                        |
| Subscriber Portfolio                 | 707,264,776              | -                                 | -                                              | -              | 97,436,004                        | 804,700,780                      | 170,513,008                            |
| Software                             | 82,120,593               | 339,106                           | (40,175)                                       | (7,002)        | 56,230,661                        | 138,643,183                      | 116,902,429                            |
| Trademarks and Patents               | 4,927,971                | -                                 | (7,501)                                        | -              | 387,880                           | 5,308,350                        | 1,430,921                              |
| Projects in-Progress                 | -                        | -                                 | -                                              | -              | -                                 | -                                | 7,389,943                              |
| Other                                | 74,967,114               | 27,786                            | (23,159,031)                                   | -              | 7,565,761                         | 59,401,630                       | 21,135,064                             |
| <b>Total as of December 31, 2014</b> | <b>917,537,485</b>       | <b>366,892</b>                    | <b>(23,292,652)</b>                            | <b>(7,002)</b> | <b><sup>(2)</sup> 166,249,923</b> | <b>1,060,854,646</b>             | <b>330,614,131</b>                     |

(1) See Note 13.

(2) Does not include Ps. 0.8 million corresponding to amortization included as of December 31, 2014 under income/loss from discontinued operations (See Note 13).

The following is a detail of the average number of years over which intangible assets items are amortized:

| Item                                      | Amortization Period<br>(in years) |
|-------------------------------------------|-----------------------------------|
| Exploitation Rights and Licenses          | between 2 and 20                  |
| Exclusivity Agreements                    | between 5 and 15                  |
| Other Rights                              | between 5 and 20                  |
| Acquisition Value of Subscriber Portfolio | 10                                |
| Software                                  | between 3 and 5                   |
| Trademarks and Patents                    | between 3 and 10                  |
| Other                                     | between 3 and 20                  |

### 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 9%.

| Main Account                                | Net Book Value before Impairment | Allowance for Goodwill impairment | Net balances as of December 31, 2015 | Net balances as of December 31, 2014 |
|---------------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| Cablevisión and subsidiaries <sup>(1)</sup> | 3,209,734,439                    | (594,075,234)                     | 2,615,659,205                        | 2,650,408,334                        |
| PRIMA                                       | 2,272,319                        | -                                 | 2,272,319                            | 2,272,319                            |
| CIMECO and related companies                | 235,982,248                      | (54,637,313)                      | 181,344,935                          | 181,344,935                          |
| Cúspide and subsidiaries                    | 19,059,775                       | -                                 | 19,059,775                           | 19,059,775                           |
| Grupo Carburando                            | 12,053,573                       | (12,053,573)                      | -                                    | -                                    |
| Telecor                                     | 39,173,062                       | -                                 | 39,173,062                           | 39,173,062                           |
| Pol-Ka                                      | 16,130,769                       | (6,850,727)                       | 9,280,042                            | 9,280,042                            |
| Telba                                       | 3,774,071                        | -                                 | 3,774,071                            | -                                    |
| Bariloche TV                                | 1,844,621                        | -                                 | 1,844,621                            | 1,844,621                            |
| Other                                       | 41,576,944                       | (6,056,130)                       | 35,520,814                           | 29,028,537                           |
| <b>Total</b>                                | <b>3,581,601,821</b>             | <b>(673,672,977)</b>              | <b>2,907,928,844</b>                 | <b>2,932,411,625</b>                 |

(1) Includes goodwill of Multicanal and Teledigital, merged into Cablevisión (see Note 8.1.c).

#### 5.4 Investment in Unconsolidated Affiliates

|                               | Main business activity                                                                                  | Country   | <sup>(1)</sup> Interest (%) | Value Recorded as of December 31, 2015 | Value Recorded as of December 31, 2014 |
|-------------------------------|---------------------------------------------------------------------------------------------------------|-----------|-----------------------------|----------------------------------------|----------------------------------------|
| Included in assets            |                                                                                                         |           |                             |                                        |                                        |
| Interest in Associates        |                                                                                                         |           |                             |                                        |                                        |
| NEXTEL                        | Telecommunication Services                                                                              | Argentina | 49.00                       | 1,201,022,798                          | -                                      |
| Papel Prensa                  | Manufacturing of Newsprint                                                                              | Argentina | 49.00                       | 184,597,852                            | 178,848,195                            |
| Ver TV S.A.                   | Cable Television Station                                                                                | Argentina | 49.00                       | 102,895,887                            | 62,124,867                             |
| TPO                           | Closed-Circuit Television                                                                               | Argentina | 47.00                       | 10,822,223                             | 10,822,223                             |
| TATC                          | Cable Television Station                                                                                | Argentina | 49.99                       | 5,707,520                              | 5,375,735                              |
| La Capital Cable              | Closed-Circuit Television                                                                               | Argentina | 49.00                       | 20,523,128                             | 14,954,214                             |
| TSMA                          | Cable Television Station                                                                                | Argentina | 49.10                       | 31,760,343                             | 20,778,579                             |
| Other Investments             |                                                                                                         |           |                             | 6,601,046                              | 4,226,412                              |
| Interests in Joint Operations |                                                                                                         |           |                             |                                        |                                        |
| TSC <sup>(2)</sup>            | Exploitation of events television broadcasting rights                                                   | Argentina | 50.00                       | 7,752,297                              | -                                      |
| TRISA <sup>(2)</sup>          | Production and exploitation of sports events, advertising agency and financial and investing operations | Argentina | 50.00                       | 91,518,852                             | -                                      |
| Canal Rural <sup>(2)</sup>    | Audiovisual production and sale of advertising                                                          | Argentina | 24.99                       | 4,268,968                              | -                                      |
| Impripost                     | Variable printing                                                                                       | Argentina | 50.00                       | 10,605,383                             | 11,429,817                             |
| AGL                           | Printing                                                                                                | Argentina | 50.00                       | 14,188,981                             | 12,484,788                             |
| Ríos de Tinta                 | Editorial activities                                                                                    | Mexico    | 50.00                       | 11,872,296                             | 9,940,835                              |
| Patagonik                     | Film producer                                                                                           | Argentina | 33.33                       | 17,217,247                             | 14,525,333                             |
|                               |                                                                                                         |           |                             | <b>1,721,354,821</b>                   | <b>345,510,998</b>                     |
| Included in liabilities       |                                                                                                         |           |                             |                                        |                                        |
| Interests in Joint Operations |                                                                                                         |           |                             |                                        |                                        |
| VLG                           | Investing and financing                                                                                 | USA       | 50.00                       | 9,873,368                              | 8,649,170                              |
| Other Investments             |                                                                                                         |           |                             | -                                      | 3,100,720                              |
|                               |                                                                                                         |           |                             | <b>9,873,368</b>                       | <b>11,749,890</b>                      |

(1) Interest in capital stock and votes

(2) Subsidiaries of IESA. See Note 13.

#### Equity in Earnings from Affiliates and Subsidiaries

|                                        | December 31, 2015  | December 31, 2014 |
|----------------------------------------|--------------------|-------------------|
| Papel Prensa                           | 5,749,658          | 921,574           |
| La Capital Cable                       | 18,543,238         | 13,395,564        |
| TRISA                                  | 52,472,276         | 31,027,801        |
| AGL                                    | 1,704,193          | (324,116)         |
| Canal Rural                            | 1,942,356          | 1,455,622         |
| NEXTEL                                 | 85,064,384         | -                 |
| Acquisition of associates (Note 12 h.) | 316,726,916        | -                 |
| Ríos de Tinta                          | 522,298            | 1,576,757         |
| Impripost                              | (824,433)          | (1,313,962)       |
| VLG                                    | (21,415,760)       | (19,177,349)      |
| Ver TV S.A.                            | 64,329,577         | 34,385,489        |
| TSMA                                   | 18,552,269         | 10,300,490        |
| Other Companies                        | 1,262,978          | (352,437)         |
|                                        | <b>544,629,950</b> | <b>71,895,433</b> |

The following is a detail of certain supplementary information required by IFRS about interests in associates (amounts stated in millions of Argentine pesos):

|                                       | December 31, 2015 | December 31, 2014 |
|---------------------------------------|-------------------|-------------------|
| Dividends received                    | 44                | 44                |
| Summarized financial information:     |                   |                   |
| Current assets                        | 3,225             | 317               |
| Non-current assets                    | 1,617             | 649               |
| Current liabilities                   | 1,504             | 310               |
| Non-current liabilities               | 145               | 48                |
| Revenues                              | 2,925             | 1,533             |
| Net Income from Continuing Operations | 404               | 129               |
| Total Comprehensive Income            | 404               | 129               |

The following is a detail of certain supplementary information required by IFRS about interests in joint operations (amounts stated in millions of Argentine pesos):

|                                       | December 31, 2015 | December 31, 2014 |
|---------------------------------------|-------------------|-------------------|
| Dividends received                    | 44                | -                 |
| Summarized financial information:     |                   |                   |
| <b>Assets</b>                         |                   |                   |
| Cash and Cash Equivalents             | 221               | 43                |
| Other Current Assets                  | 432               | 107               |
| Current assets                        | 653               | 150               |
| Non-current assets                    | 123               | 59                |
| <b>Liabilities</b>                    |                   |                   |
| Current Debt                          | 52                | 38                |
| Other Current Liabilities             | 384               | 73                |
| Current liabilities                   | 436               | 111               |
| Non-Current Debt                      | -                 | 6                 |
| Other Non-Current Liabilities         | 26                | 3                 |
| Non-current liabilities               | 26                | 9                 |
| Revenues                              | 1,371             | 254               |
| Depreciation and Amortization         | (18)              | (8)               |
| Interest Income                       | 13                | 5                 |
| Interest Expense                      | (20)              | (9)               |
| Income Tax and Tax on Assets          | (68)              | (4)               |
| Net Income from Continuing Operations | 130               | 6                 |
| Other Comprehensive Income            | 6                 | 2                 |
| Total Comprehensive Income            | 136               | 8                 |

**5.5 Other Investments**

|                       | December 31, 2015    | December 31, 2014    |
|-----------------------|----------------------|----------------------|
| Non-Current           |                      |                      |
| Financial Instruments | 458,789,781          | 275,625,916          |
|                       | <b>458,789,781</b>   | <b>275,625,916</b>   |
| Current               |                      |                      |
| Financial Instruments | 71,250,926           | 270,196,472          |
| Securities            | 156,069,384          | 379,189,263          |
| Mutual Funds          | 959,231,703          | 766,719,477          |
|                       | <b>1,186,552,013</b> | <b>1,416,105,212</b> |

**5.6 Inventories**

|                                               | December 31, 2015  | December 31, 2014  |
|-----------------------------------------------|--------------------|--------------------|
| Non-Current                                   |                    |                    |
| Film Products and Rights                      | 23,626,229         | 20,952,973         |
|                                               | <b>23,626,229</b>  | <b>20,952,973</b>  |
| Current                                       |                    |                    |
| Raw Materials and Supplies                    | 273,711,077        | 164,400,071        |
| Products-in-Process                           | 5,385,901          | 2,999,326          |
| Finished Goods                                | 91,747,645         | 32,995,217         |
| Film Products and Rights                      | 122,386,463        | 75,901,936         |
| Other                                         | 845,099            | 649,197            |
| Subtotal                                      | 494,076,185        | 276,945,747        |
| Less: Allowance for Impairment of Inventories | (3,383,333)        | (4,894,720)        |
|                                               | <b>490,692,852</b> | <b>272,051,027</b> |

**5.7 Other Assets**

|              | December 31, 2015 | December 31, 2014 |
|--------------|-------------------|-------------------|
| Non-Current  |                   |                   |
| Works of Art | 461,696           | 461,696           |
| Other        | 2,165,605         | 788,074           |
|              | <b>2,627,301</b>  | <b>1,249,770</b>  |
| Current      |                   |                   |
| Other        | 11,456,124        | 7,063,276         |
|              | <b>11,456,124</b> | <b>7,063,276</b>  |

**5.8 Other Receivables**

|                                              | December 31, 2015    | December 31, 2014  |
|----------------------------------------------|----------------------|--------------------|
| <b>Non-Current</b>                           |                      |                    |
| Tax Credits                                  | 91,786,409           | 53,815,218         |
| Guarantee Deposits                           | 7,307,156            | 1,861,437          |
| Prepaid Expenses                             | 38,080,166           | 19,504,515         |
| Advances                                     | 111,084,501          | 42,781,617         |
| Related Parties (Note 16)                    | 9,212,575            | -                  |
| Call option - NEXTEL (Notes 9.4.9) and 12.h) | 1,103,673,966        | -                  |
| Other                                        | 29,740,489           | 18,564,287         |
| Allowance for Other Bad Debts                | (1,567,580)          | (1,567,580)        |
|                                              | <b>1,389,317,682</b> | <b>134,959,494</b> |
| <b>Current</b>                               |                      |                    |
| Tax Credits                                  | 231,318,592          | 218,167,837        |
| Court-ordered and Guarantee Deposits         | 52,292,908           | 14,753,391         |
| Prepaid Expenses                             | 194,699,118          | 180,936,011        |
| Advances                                     | 186,029,228          | 88,734,265         |
| Related Parties (Note 16)                    | 22,304,023           | 18,471,303         |
| Derivatives (Note 22)                        | 58,356,225           | -                  |
| Sundry Receivables                           | 50,114,718           | 15,023,356         |
| Other                                        | 155,474,144          | 89,612,703         |
| Allowance for Other Bad Debts                | (1,146,852)          | (1,146,852)        |
|                                              | <b>949,442,104</b>   | <b>624,552,014</b> |

**5.9 Trade Receivables**

|                           | December 31, 2015    | December 31, 2014    |
|---------------------------|----------------------|----------------------|
| <b>Non-Current</b>        |                      |                      |
| Trade Receivables         | 82,905,052           | 91,505,064           |
|                           | <b>82,905,052</b>    | <b>91,505,064</b>    |
| <b>Current</b>            |                      |                      |
| Trade Receivables         | 4,039,922,312        | 2,983,817,121        |
| Related Parties (Note 16) | 20,077,281           | 81,121,045           |
| Allowance for Bad Debts   | (269,372,858)        | (179,898,080)        |
|                           | <b>3,790,626,735</b> | <b>2,885,040,086</b> |

**5.10 Cash and Banks**

|                        | December 31, 2015    | December 31, 2014    |
|------------------------|----------------------|----------------------|
| Cash and Imprest Funds | 39,150,282           | 41,597,037           |
| Cash at Banks          | 1,986,630,652        | 1,120,031,282        |
|                        | <b>2,025,780,934</b> | <b>1,161,628,319</b> |



### 5.11 Provisions and Other

|                                           | December 31, 2015  | December 31, 2014  |
|-------------------------------------------|--------------------|--------------------|
| <b>Non-Current</b>                        |                    |                    |
| Provisions for Lawsuits and Contingencies | 418,452,169        | 324,549,885        |
| Accrual for Asset Retirement              | 14,023,145         | 12,100,819         |
|                                           | <b>432,475,314</b> | <b>336,650,704</b> |

### 5.12 Debt

|                           | December 31, 2015    | December 31, 2014    |
|---------------------------|----------------------|----------------------|
| <b>Non-Current</b>        |                      |                      |
| Financial Loans           | 149,514,835          | 40,522,969           |
| Notes                     | 3,321,722,710        | 2,568,079,074        |
| Acquisition of equipment  | 591,437,651          | 316,869,747          |
| Related Parties (Note 16) | 9,212,575            | -                    |
| Measurement at Fair Value | (38,535,875)         | (54,973,243)         |
|                           | <b>4,033,351,896</b> | <b>2,870,498,547</b> |
| <b>Current</b>            |                      |                      |
| Bank Overdraft            | 92,993,428           | 243,933,142          |
| Financial Loans           | 532,754,534          | 396,575,883          |
| Notes                     | 1,661,477,099        | 752,488,000          |
| Acquisition of equipment  | 389,941,446          | 168,886,421          |
| Related Parties (Note 16) | 22,708,882           | 16,701,274           |
| Interest and Restatement  | 196,029,150          | 121,810,582          |
| Measurement at Fair Value | 5,832,827            | 18,503,021           |
|                           | <b>2,901,737,366</b> | <b>1,718,898,323</b> |

The following table details the changes in loans and indebtedness for the year ended December 31, 2015 and the prior year:

|                                                        | 2015                 | 2014                 |
|--------------------------------------------------------|----------------------|----------------------|
| Balances as of January 1st                             | 4,589,396,870        | 4,139,338,976        |
| New Loans and Indebtedness <sup>(1)</sup>              | 1,526,831,692        | 994,580,890          |
| Accrued Interest                                       | 733,788,955          | 546,126,005          |
| Exchange rate fluctuations and other financial effects | 2,091,856,064        | 1,103,440,183        |
| Reclassified to assets held for sale                   | 16,998,266           | (11,774,226)         |
| Payment of Interest                                    | (663,705,855)        | (511,163,308)        |
| Payment of Principal                                   | (1,360,076,730)      | (1,671,151,650)      |
| <b>Balances as of December 31</b>                      | <b>6,935,089,262</b> | <b>4,589,396,870</b> |

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

The following table summarizes the maturities of consolidated loans (undiscounted values) at year-end:

| Non-Current Debt                     | Due                  |                      |                   |                   | Total Non-Current    |
|--------------------------------------|----------------------|----------------------|-------------------|-------------------|----------------------|
|                                      | From 1 to 2 years    | From 2 to 3 years    | From 3 to 4 years | More than 5 years |                      |
| Financial Loans                      | 80,595,096           | 68,649,405           | 270,334           | -                 | 149,514,835          |
| Notes                                | 2,214,477,931        | 1,107,244,779        | -                 | -                 | 3,321,722,710        |
| Acquisition of equipment             | 409,297,808          | 175,937,072          | 6,202,771         | -                 | 591,437,651          |
| Related Parties                      | -                    | -                    | 9,212,575         | -                 | 9,212,575            |
| <b>Total as of December 31, 2015</b> | <b>2,704,370,835</b> | <b>1,351,831,256</b> | <b>15,685,680</b> | <b>-</b>          | <b>4,071,887,771</b> |

| Current Debt                         | 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                       | 92,993,428         | -                  | -                  | -                       | 92,993,428           |
| Financial Loans                      | 158,464,510        | 198,306,454        | 148,385,064        | 27,598,506              | 532,754,534          |
| Notes                                | 40,279,097         | -                  | 573,760,002        | 1,047,438,000           | 1,661,477,099        |
| Acquisition of equipment             | 78,051,117         | 86,102,092         | 101,287,918        | 124,500,319             | 389,941,446          |
| Related Parties                      | 1,748,406          | 20,960,476         | -                  | -                       | 22,708,882           |
| Interest and Restatement             | 196,029,150        | -                  | -                  | -                       | 196,029,150          |
| <b>Total as of December 31, 2015</b> | <b>567,565,708</b> | <b>305,369,022</b> | <b>823,432,984</b> | <b>1,199,536,825</b>    | <b>2,895,904,539</b> |

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 December 31, 2015 | Balances as of December 31, 2014 | Final Maturity | Annual Interest Rate         |
|---------------|----------------------------|---------------------|----------------------------------|----------------------------------|----------------|------------------------------|
|               |                            |                     |                                  | In millions of USD               |                |                              |
| February 2011 | <sup>(1)</sup> Cablevisión | 88.2                | 4.5                              | 67.9                             | February 2018  | <sup>(5)</sup> 8.75%         |
| February 2011 | <sup>(1)</sup> Cablevisión | 71.3                | 2.7                              | 54.9                             | February 2018  | <sup>(5)</sup> 9.375%        |
| February 2011 | <sup>(1)</sup> Cablevisión | 223.3               | 8.6                              | 172                              | February 2018  | <sup>(5)</sup> 9.625%        |
| February 2011 | <sup>(2)</sup> Cablevisión | 17.2                | 0.7                              | 13.3                             | February 2018  | <sup>(5)</sup> 9.375%        |
| January 2015  | <sup>(3)</sup> Cablevisión | <sup>(4)</sup> 80.9 | <sup>(4)</sup> 32.2              | -                                | August 2016    | Adjusted Badlar rate + 4.85% |
| February 2015 | <sup>(3)</sup> Cablevisión | 286.3               | 286.3                            | -                                | February 2018  | <sup>(5)</sup> 9.375%        |
| December 2003 | Multicanal                 | 80.3                | 80.3                             | 80.3                             | July 2016      | <sup>(5)</sup> 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.

(3) Use of funds: Prepayment of loans and financing of working capital and capital expenditures.

(4) Loan in Argentine pesos converted into US dollars at the exchange rate prevailing on January 31, 2015 and December 31, 2015 respectively.

(5) Fixed rate.

On January 30, 2015, Cablevisión executed a syndicated loan agreement with Industrial and Commercial Bank of China (Argentina) S.A. (“ICBC”), Banco Itaú Argentina S.A. (“Itaú”), Banco de la Ciudad de Buenos Aires (“Banco Ciudad”), Banco Santander Río S.A. (“Santander”) and Banco Macro S.A. (“Macro”) for Ps. 700 million, at a variable adjusted BADLAR rate (average interest rate for 30 to 35 day term deposits of more than Ps. 1 million in Buenos Aires) + 4.85% and with its final maturity in July 2016, for the purpose of making a prepayment of principal and interest owed to ICBC, Itaú and Banco Ciudad under the syndicated loan agreement executed on January 31, 2014, in order to finance working capital and capital investments.

As a result of the execution of the syndicated loan agreement, Cablevisión has undertaken certain covenants, including: (i) limitation on the issuance of guarantees by subsidiaries and encumbrances; (ii) reorganization, change of control, and sale of assets under certain conditions, (iii) limitation on incurring debt above certain approved ratios, (iv) limitation on capital investment exceeding certain amount, and (v) limitation on transactions with shareholders and affiliates under certain conditions.

On April 28, 2014, at the Annual General Ordinary and Extraordinary Shareholders’ Meeting of Cablevisión, the shareholders of Cablevisión approved, among other matters: i) The creation of a Global Program (the “Program”) for the issuance of simple, non-convertible, medium or long-term notes, to be authorized by the CNV, to be issued in one or more classes and/or series for an aggregate principal amount including all classes and/or series outstanding under the Program of up to USD 500,000,000, pursuant to the provisions of the Notes Law No. 23,576, as amended (the “Notes Law”). The shareholders delegated on the Board of Directors of Cablevisión the power to determine and establish all the other terms for each class and/or series of notes to be issued under this Program. The shareholders also delegated on the Board of Directors of Cablevisión the power to approve the terms of the agreements related to the issuance and placement of the notes to be issued under the Program. The Board of Directors of Cablevisión may subdelegate all or some powers interchangeably to one or more directors or managers of such company; and ii) the creation

of a global program for the issuance of Short-Term Debt Securities of up to USD 100,000,000 (or its equivalent in other currencies, as determined by the Board of Directors) (Valores Representativos de Deuda de Corto Plazo, “VCPs”, for its Spanish acronym), and the related registration of Cablevisión before the special registry created by the CNV for such purpose. The VCPs will have maturities of up to one year and are to be issued in one or more classes and/or series, under the form of promissory notes subject to the Notes Law. The shareholders delegated on that company’s Board of Directors the power to determine and establish all the other terms of the VCP Program and the classes and/or series of VCPs to be issued within the authorized amount. They also delegated on the Board of Directors the power to request the CNV to register Cablevisión in the Special Registry for VCP Programs and to authorize the VCP Program. The Board of Directors of Cablevisión may subdelegate all or some powers interchangeably to one or more directors or managers of such company. As of the date of these financial statements, the Company has not made any filings with the CNV to make such placement.

On January 13, 2015, Cablevisión executed a financial loan agreement with Nuevo Banco de Santa Fe S.A. for Ps. 30 million at an annual fixed nominal interest rate of 29% with final maturity in July 2015, for the purpose of increasing its working capital to finance the development of its main corporate business. As of December 31, 2015, this loan had been repaid in full.

On July 16, 2015, Cablevisión executed a financial loan agreement with Nuevo Banco de Santa Fe S.A. for Ps. 50 million at an annual fixed nominal interest rate of 28% with final maturity in January 2016, for the purpose of increasing its working capital to finance the development of its main corporate business. As of the date of these financial statements, this loan has been repaid.

On January 5, 2015, the Board of Directors of Cablevisión decided to call an Ordinary Shareholders’ Meeting to be held on January 23, 2015. At said Shareholders’ Meeting, the shareholders approved the issuance of non-convertible notes for an aggregate nominal value of up to USD 400,000,000 to be placed privately (without public offering) and to be

issued in one or more series pursuant to the provisions of the Notes Law. The notes will be used both to offer them in exchange for the currently outstanding Notes and to receive funds in cash. The shareholders of Cablevisión delegated on the Board of Directors of Cablevisión the power to establish all the terms governing the issuance of the above-mentioned notes within the authorized maximum amount, including, without limitation, time and price of the issuance, form, payment terms, use of proceeds, applicable law.

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

On February 9, 2015, pursuant to its delegated powers, the Board of Directors of Cablevisión approved the issuance of Class V notes for a nominal value of USD 286,377,786 (the "Class V Notes"), at a fixed annual nominal rate of 9.375%, payable semi-annually as from August 2016, with final maturity in February 2018, to be used in the refinancing of a portion of the debt represented by the outstanding Notes, which have been refinanced pursuant to the Trust Agreement executed between Cablevisión, as issuer, and Deutsche Bank Trust Company Americas as trustee, co-registrar and paying agent.

As a result of the Notes issued by Cablevisión, it 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 investments 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.

During the period covered by these consolidated financial statements, Cablevisión has complied with such covenants.

#### **5.12.1 AGEA and subsidiaries**

On January 28, 2014, AGEA repaid all of the USD 30.6 million aggregate principal amount

outstanding and interest accrued as of such date on the Series C Notes issued by that company under the Global Program. See Note 24.

As of December 31, 2015, AGR and Tinta Fresca had executed overdraft facility agreements with banks for a maximum of Ps. 51.8 million and Ps. 17.5 million, respectively.

During 2013, Banco Ciudad granted a loan to AGR in the amount of Ps. 20 million that accrues interest at an annual fixed rate of 15.25%. Principal is repaid on a quarterly basis as from February 2015, and interest is paid on a quarterly basis as from February 2014.

During 2014, AGR executed two leasing agreements with Industrial and Commercial Bank of China (Argentina) S.A. for an aggregate Ps. 19.6 million (including Ps. 2 million of nationalization expenses that were subsequently added) to acquire machinery and equipment. During June 2014, when the Company conducted the startup of the above-mentioned machinery and equipment, it paid 30% of the total amount due under the agreements. The outstanding balance is payable in 61 monthly installments as from July 2014, plus an additional installment for the call option. The leasing agreements accrue interest at an annual rate of 15.25%, payable on a monthly basis as from the startup date.

#### **5.12.2 GCGC**

As of December 31, 2015 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 was advanced to the company in several stages, after having obtained the required professional certifications. As of the date of these financial statements, GCGC received the full amount of the loan for an aggregate Ps. 30 million. During 2015, GCGC repaid principal in the amount of Ps. 8 million under the loan agreement executed with Banco de la Ciudad de Buenos Aires.

GCGC was the borrower under a loan agreement with Industrial and Commercial

Bank of China (Argentina) S.A. 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 an 18-month grace period. Principal will be repaid in 7 quarterly decreasing installments as from the 18th month. The loan accrues interest at a 15% fixed nominal annual rate. As of December 31, 2015, GCGC had repaid in full the loan executed with Industrial and Commercial Bank of China (Argentina) S.A.

#### **5.12.4 ARTEAR**

On December 6, 2013 ARTEAR and Banco Itaú Argentina S.A. executed an agreement whereby ARTEAR is the borrower under a bilateral loan, within the framework of Communication “A” 5449 issued by the BCRA relating to Productive Investment Credit Facilities, for a principal amount of Ps. 12.9 million, payable within a term of 36 months in equal consecutive monthly installments. The first installment is due on month 12, counted as from disbursement. The funds will be used to finance a project for the acquisition of capital assets and manpower to adapt the production and broadcasting of contents to the entertainment and news standards of the television industry. Principal accrues interest at an annual nominal fixed rate of 15.25% payable on a monthly basis as from disbursement.

On December 20, 2013 ARTEAR executed a syndicated loan with Banco Itaú Argentina S.A. and the Industrial and Commercial Bank of China (Argentina) S.A. for a principal amount of Ps. 200 million to be repaid in 2 years in the following installments: Ps. 35 million due 12 months after disbursement, Ps. 35 million due 18 months after disbursement and Ps. 130 million due 24 months after disbursement. Each of the banks has a 50% pro rata participation in the loan. The funds will be used to finance working capital, to make capital expenditures and/or to distribute dividends. Principal accrues interest at an annual variable rate based on BADLAR for private banks, plus a 4.25% margin, payable on a monthly basis as from disbursement. As security for the loan, Itaú Unibanco S.A., New York Branch, has issued in favor of each of the two banks acting as lenders under this agreement an irrevocable independent guarantee, payable on first demand (“Stand By Letter of Credit” or “SBLC”) to secure all the obligations undertaken by

ARTEAR until the repayment of the loans. These SBLCs were issued in US dollars for an amount that, converted into Argentine pesos, covers at least 100% of the principal amount owed by the borrower to each of the banks under the loan.

On July 21, 2014, ARTEAR made a partial prepayment of Ps. 35 million on the outstanding principal under the syndicated loan mentioned above, allocating this amount to the installment due in December 2014.

On June 22, 2015, the Company paid the second installment of Ps. 35 million on the outstanding principal under the syndicated loan. On December 21, 2015, the Company repaid the loan in full with the payment of the last installment of Ps. 130 million.

On December 17, 2015, ARTEAR and Banco Santander Río S.A. executed an agreement whereby ARTEAR is the borrower under a bilateral loan for a principal amount of Ps. 150 million, payable within a 3-year term in equal consecutive quarterly installments. The first installment is due on month 12, counted as from disbursement. The funds will be used to finance working capital and investments. Principal accrues interest at a variable annual rate based on the BADLAR rate for private banks, plus a 4.50% margin, payable on a quarterly basis as from disbursement.

#### **5.12.5 CMD**

As of December 31, 2014 CMD was the borrower under a loan with Banco de la Ciudad de Buenos Aires for a balance of Ps. 2.5 million principal amount. Proceeds were used to finance partially the acquisition and renovation of a 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. As of the date of these financial statements, principal and interest under this loan have been paid in full.

#### **5.13 Sellers Financing**

The following table summarizes the consolidated debt maturities in connection with the acquisition of companies:

| Current Sellers Financing | Without any         | Up to 3<br>months | From 3 to 6<br>months | Due                   | Total as of<br>December 31,<br>2015 | Total as of<br>December 31,<br>2014 |
|---------------------------|---------------------|-------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
|                           | established<br>term |                   |                       | From 6 to 9<br>months |                                     |                                     |
| Principal                 | 1,874,191           | -                 | -                     | -                     | 1,874,191                           | 3,791,426                           |

#### 5.14 Taxes Payable

|                                     | December 31, 2015    | December 31, 2014  |
|-------------------------------------|----------------------|--------------------|
| <b>Non-Current</b>                  |                      |                    |
| Taxes Payable on a National Level   | 90,524,218           | 98,018,442         |
|                                     | <b>90,524,218</b>    | <b>98,018,442</b>  |
| <b>Current</b>                      |                      |                    |
| Taxes Payable on a National Level   | 1,086,577,290        | 798,250,268        |
| Taxes Payable on a Provincial Level | 37,706,212           | 28,849,381         |
| Taxes Payable on a Municipal Level  | 28,711,199           | 31,071,270         |
|                                     | <b>1,152,994,701</b> | <b>858,170,919</b> |

#### 5.15 Other Liabilities

|                                                    | December 31, 2015  | December 31, 2014  |
|----------------------------------------------------|--------------------|--------------------|
| <b>Non-Current</b>                                 |                    |                    |
| Guarantee Deposits                                 | 211,239            | 139,415            |
| Unearned Revenue                                   | 110,990,675        | 105,947,119        |
| Call Options (Note 10)                             | 1,775,255          | 27,469,815         |
| Investment in Unconsolidated Affiliates (Note 5.4) | 9,873,368          | 11,749,890         |
| Other                                              | 19,334,700         | 6,451,823          |
|                                                    | <b>142,185,237</b> | <b>151,758,062</b> |
| <b>Current</b>                                     |                    |                    |
| Advances from Customers                            | 107,589,942        | 82,026,829         |
| Dividends Payable                                  | 2,248,243          | 1,547,100          |
| Related Parties (Note 16)                          | 39,490             | 300,933            |
| Call Options (Note 10)                             | 39,120,000         | 1,816,816          |
| Unearned Revenue                                   | 225,745,016        | 155,847,247        |
| Derivatives (Note 22)                              | -                  | 4,718,000          |
| Other                                              | 90,419,165         | 63,091,719         |
|                                                    | <b>465,161,856</b> | <b>309,348,644</b> |

#### 5.16 Trade Payables and Other

|                                | December 31, 2015    | December 31, 2014    |
|--------------------------------|----------------------|----------------------|
| <b>Non-Current</b>             |                      |                      |
| Suppliers and Trade Provisions | 1,692,559            | 885,555              |
| Employer's Contributions       | 17,864,459           | 7,173,952            |
|                                | <b>19,557,018</b>    | <b>8,059,507</b>     |
| <b>Current</b>                 |                      |                      |
| Suppliers and Trade Provisions | 3,309,897,561        | 1,900,205,540        |
| Related Parties (Note 16)      | 94,905,781           | 80,536,650           |
| Employer's Contributions       | 1,648,099,256        | 1,174,930,553        |
|                                | <b>5,052,902,598</b> | <b>3,155,672,743</b> |

## 5.17 Changes in provisions and allowances

| Items                                                                                   | Balance at the Beginning | Increases                  | Consolidation of companies | Decreases                    | Balances as of December 31, 2015 | Balances as of December 31, 2014 |
|-----------------------------------------------------------------------------------------|--------------------------|----------------------------|----------------------------|------------------------------|----------------------------------|----------------------------------|
| <b>Deducted from Assets</b>                                                             |                          |                            |                            |                              |                                  |                                  |
| Allowance for Bad Debts                                                                 | 182,612,512              | <sup>(1)</sup> 287,955,310 | 4,002,489                  | <sup>(1)</sup> (202,483,021) | 272,087,290                      | 182,612,512                      |
| Allowance for Impairment of Inventories                                                 | 4,894,720                | <sup>(2)</sup> 2,698,013   | -                          | (4,209,400)                  | 3,383,333                        | 4,894,720                        |
| Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials | 17,541,856               | <sup>(2)</sup> 9,300,132   | -                          | <sup>(2)</sup> (4,140,364)   | 22,701,624                       | 17,541,856                       |
| Allowance for Goodwill impairment                                                       | 656,096,404              | 5,523,000                  | 12,053,573                 | -                            | 673,672,977                      | 656,096,404                      |
| Valuation Allowance <sup>(5)</sup>                                                      | 47,484,932               | <sup>(3)</sup> 34,146,033  | -                          | (15,907,640)                 | 65,723,325                       | 47,484,932                       |
| <b>Total</b>                                                                            | <b>908,630,424</b>       | <b>339,622,488</b>         | <b>16,056,062</b>          | <b>(226,740,425)</b>         | <b>1,037,568,549</b>             | <b>908,630,424</b>               |
| <b>Included in liabilities</b>                                                          |                          |                            |                            |                              |                                  |                                  |
| Provisions for Lawsuits and Contingencies                                               | 324,549,885              | <sup>(4)</sup> 164,091,673 | 3,135,473                  | <sup>(4)</sup> (73,324,862)  | 418,452,169                      | 324,549,885                      |
| Accrual for Asset Retirements                                                           | 12,100,819               | <sup>(4)</sup> 1,922,326   | -                          | <sup>(4)</sup> -             | 14,023,145                       | 12,100,819                       |
| <b>Total</b>                                                                            | <b>336,650,704</b>       | <b>166,013,999</b>         | <b>3,135,473</b>           | <b>(73,324,862)</b>          | <b>432,475,314</b>               | <b>336,650,704</b>               |

(1) Includes net increases of Ps. 287,760,471 which have been charged to Selling expenses (see Note 6.3).

(2) Includes Ps. 9,408,388 corresponding to net increases which have been charged to Impairment of Inventories and Obsolescence of Materials under Production Expenses (see Note 6.3).

(3) Charged to Income Tax and Tax on Assets

(4) Includes net increases of Ps. 98,075,086, which have been charged to Contingencies (see Note 6.3) and Ps. 66,937,342, which have been charged to Other Financial Income, Net.

(5) Includes Valuation Allowance for Net Deferred Tax Assets and Valuation Allowance for tax on assets.

## Note 6

### Breakdown of the main items of the statement of comprehensive income

#### 6.1 Revenues

|                                 | December 31, 2015     | December 31, 2014     |
|---------------------------------|-----------------------|-----------------------|
| Sales of Cable TV Subscriptions | 14,430,045,995        | 10,776,791,214        |
| Advertising Sales               | 4,349,949,048         | 3,259,965,528         |
| Sales of Internet Subscriptions | 4,801,572,714         | 2,743,435,905         |
| Circulation Sales               | 1,995,440,677         | 1,288,340,160         |
| Printing Services Sales         | 278,866,711           | 133,259,553           |
| TV Signals Sales                | 229,613,968           | 293,551,238           |
| Other Sales                     | 1,706,040,575         | 1,214,262,405         |
| <b>Total <sup>(1)</sup></b>     | <b>27,791,529,688</b> | <b>19,709,606,003</b> |

(1) Includes sales executed through barter transactions as of December 31, 2015 and 2014 for Ps. 169.3 million and Ps. 132.5 million, respectively.

## 6.2 Cost of Sales

|                                             | December 31, 2015     | December 31, 2014            |
|---------------------------------------------|-----------------------|------------------------------|
| Inventories at the beginning of the year    | 297,898,720           | 300,516,672                  |
| Incorporation of companies                  | 23,385,923            | -                            |
| Purchases for the year                      | 1,509,986,250         | 1,038,774,143                |
| Production and Services Expenses (Note 6.3) | 12,603,942,117        | 9,973,616,388                |
| Less: Inventories at year-end               | (517,702,414)         | <sup>(1)</sup> (301,223,085) |
| <b>Cost of Sales</b>                        | <b>13,917,510,596</b> | <b>11,011,684,118</b>        |

(1) Includes a reclassification of Ps. 3.3 million as mentioned in Note 13.

## 6.3 Production and Services, Selling and Administrative Expenses

| Item                                                               | Production and Services Expenses | Selling Expenses     | Administrative Expenses | Total as of December 31, 2015 | Total as of December 31, 2014 |
|--------------------------------------------------------------------|----------------------------------|----------------------|-------------------------|-------------------------------|-------------------------------|
| Fees for Services                                                  | 354,737,335                      | 149,951,424          | 916,132,593             | 1,420,821,352                 | 1,063,700,919                 |
| Salaries, Social Security and Benefits to Personnel <sup>(1)</sup> | 4,873,607,223                    | 913,174,152          | 1,476,283,952           | 7,263,065,327                 | 5,603,146,612                 |
| Advertising and Promotion Expenses                                 | -                                | 602,261,238          | 1,436,447               | 603,697,685                   | 458,570,358                   |
| Taxes, Duties and Contributions                                    | 462,157,685                      | 971,851,724          | 49,014,547              | 1,483,023,956                 | 993,072,156                   |
| Bad Debts                                                          | -                                | 287,760,471          | -                       | 287,760,471                   | 179,832,857                   |
| Travel Expenses                                                    | 97,085,312                       | 60,556,475           | 22,256,690              | 179,898,477                   | 147,566,102                   |
| Maintenance Expenses                                               | 782,170,822                      | 73,922,052           | 308,973,391             | 1,165,066,265                 | 910,827,297                   |
| Distribution Expenses                                              | 54,003,392                       | 335,683,348          | -                       | 389,686,740                   | 114,983,314                   |
| Communication Expenses                                             | 17,063,332                       | 15,890,372           | 8,446,418               | 41,400,122                    | 25,916,247                    |
| Contingencies                                                      | 45,175,063                       | 325,999              | 52,574,024              | 98,075,086                    | 121,908,817                   |
| Stationery and Office Supplies                                     | 8,753,869                        | 4,597,576            | 34,410,303              | 47,761,748                    | 39,543,869                    |
| Commissions                                                        | -                                | 26,459,410           | 553,168,639             | 579,628,049                   | 411,066,708                   |
| Productions and Co-Productions                                     | 321,976,482                      | -                    | -                       | 321,976,482                   | 278,739,987                   |
| Printing Expenses                                                  | 161,789,970                      | -                    | -                       | 161,789,970                   | 144,132,327                   |
| Rights                                                             | 2,723,691,352                    | -                    | -                       | 2,723,691,352                 | 2,058,733,312                 |
| Services and Satellites                                            | 336,255,803                      | 1,423,064            | 33,940,305              | 371,619,172                   | 369,406,051                   |
| Severance Payments                                                 | 115,873,141                      | 35,053,793           | 37,683,628              | 188,610,562                   | 68,634,441                    |
| Non-Computable VAT                                                 | 30,669,004                       | -                    | -                       | 30,669,004                    | 28,406,155                    |
| Rentals                                                            | 311,934,947                      | 18,898,194           | 55,729,522              | 386,562,663                   | 291,168,652                   |
| Amortization of Intangible Assets                                  | 164,429,440                      | 2,860,582            | 7,321,129               | 174,611,151                   | 167,019,015                   |
| Amortization of Film Library                                       | 3,865,459                        | -                    | -                       | 3,865,459                     | 4,173,461                     |
| Depreciation of Property, Plant and Equipment                      | 1,490,471,901                    | 82,555,755           | 43,968,185              | 1,616,995,841                 | 1,273,670,333                 |
| Impairment of Inventories and Obsolescence of Materials            | 9,408,388                        | -                    | -                       | 9,408,388                     | 7,067,633                     |
| Other Expenses                                                     | 238,822,197                      | 57,287,014           | 66,843,582              | 362,952,793                   | 315,556,712                   |
| <b>Total as of December 31, 2015</b>                               | <b>12,603,942,117</b>            | <b>3,640,512,643</b> | <b>3,668,183,355</b>    | <b>19,912,638,115</b>         |                               |
| <b>Total as of December 31, 2014</b>                               | <b>9,973,616,388</b>             | <b>2,512,467,811</b> | <b>2,590,759,136</b>    |                               | <b>15,076,843,335</b>         |

(1) As of December 31, 2015, it includes a recovery from the calculation of employer's contributions as tax credit on VAT by certain subsidiaries (Decree No. 746/03 issued by the Executive Branch) of approximately Ps. 450 million, as mentioned in Notes 8.3.h., 8.3.i and 8.3.j.



#### 6.4 Financial Costs

|                                    | December 31, 2015      | December 31, 2014      |
|------------------------------------|------------------------|------------------------|
| Financial Discounts on Liabilities | (15,996,408)           | (19,082,570)           |
| Interest                           | (734,881,450)          | (550,335,985)          |
| Exchange Differences               | (2,141,182,053)        | (1,145,376,073)        |
| Other Financial Costs              | (42,738,567)           | (6,044,582)            |
| <b>Total</b>                       | <b>(2,934,798,478)</b> | <b>(1,720,839,210)</b> |

#### 6.5 Other Financial Results, net

|                                                                | December 31, 2015    | December 31, 2014  |
|----------------------------------------------------------------|----------------------|--------------------|
| Exchange Differences                                           | 668,962,972          | 218,105,122        |
| Interest                                                       | 226,349,964          | 82,672,368         |
| Financial Discounts on Assets and Liabilities                  | (15,433,279)         | 8,095,195          |
| Other Taxes and Expenses                                       | (378,084,565)        | (285,506,417)      |
| Results from transactions with securities and bonds            | (737,746,940)        | (29,680,391)       |
| CER Restatement                                                | (42,273)             | (2,795,864)        |
| Income from Changes in the Fair Value of Financial Instruments | 106,355,895          | (475,888)          |
| <b>Total</b>                                                   | <b>(129,638,226)</b> | <b>(9,585,875)</b> |

#### 6.6 Other Income and Expense, net

|                                                   | December 31, 2015 | December 31, 2014 |
|---------------------------------------------------|-------------------|-------------------|
| Income from Sale of Property, Plant and Equipment | (10,265,648)      | 1,788,450         |
| Other <sup>(1)</sup>                              | 110,172,733       | (2,426,718)       |
| <b>Total</b>                                      | <b>99,907,085</b> | <b>(638,268)</b>  |

(1) For the year 2015, it includes the impact (income) of recognizing past-due trade receivables for approximately Ps. 95 million.

## 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, 2015 and 2014 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, 2015  | December 31, 2014 |
|-------------------------------------------------------------------------|--------------------|-------------------|
| Income before Income Tax                                                | 4,145,423          | 1,935,527         |
| Current Rate                                                            | 35%                | 35%               |
| Income Tax Assessed at the Current Tax Rate on Income before Income Tax | (1,450,898)        | (677,434)         |
| Permanent Differences:                                                  |                    |                   |
| Equity in Earnings from Affiliates and Subsidiaries                     | 190,620            | 25,163            |
| Non-Taxable Income                                                      | (7,414)            | (22,322)          |
| Other                                                                   | 72,555             | 56,944            |
| Subtotal                                                                | (1,195,137)        | (617,649)         |
| Expired Tax Loss Carryforwards                                          | (2,597)            | -                 |
| Valuation Allowance for Net Deferred Tax Assets Charged to Income       | (29,126)           | 26,407            |
| Total Income Tax                                                        | (1,226,860)        | (591,242)         |
| Deferred Tax                                                            | 131,896            | 193,409           |
| Current Tax                                                             | (1,358,756)        | (784,652)         |
| Income Tax Assessed for the Year                                        | (1,226,860)        | (591,243)         |
| Tax on assets                                                           | (2,653)            | 1,177             |
| <b>Total</b>                                                            | <b>(1,229,513)</b> | <b>(590,066)</b>  |

Breakdown of Consolidated Deferred Tax (in thousands of Argentine pesos):

|                                                                           | December 31,<br>2015          | December 31,<br>2014 | Changes Year<br>2015          | Changes Year<br>2014          |
|---------------------------------------------------------------------------|-------------------------------|----------------------|-------------------------------|-------------------------------|
| <b>Deferred Assets</b>                                                    |                               |                      |                               |                               |
| Tax Loss Carryforwards                                                    | 226,342                       | 212,528              | 13,814                        | 57,709                        |
| Specific Tax Loss Carryforward                                            | -                             | -                    | -                             | (934)                         |
| Inventories                                                               | 36,070                        | 16,001               | 20,069                        | 1,202                         |
| Other Investments                                                         | 19,988                        | 24,895               | (4,907)                       | 21,915                        |
| Provisions and Other                                                      | 133,612                       | 101,044              | 32,568                        | 21,714                        |
| Trade Receivables                                                         | 100,464                       | 20,067               | 80,397                        | 20,067                        |
| Other Liabilities                                                         | 10,974                        | 11,393               | (419)                         | 162                           |
| Trade Payables and Other                                                  | 129,432                       | 107,686              | 21,745                        | 23,226                        |
|                                                                           | 656,882                       | 493,614              | 163,267                       | 145,061                       |
| <b>Deferred Tax Liabilities</b>                                           |                               |                      |                               |                               |
| Property, Plant and Equipment                                             | (221,992)                     | (162,321)            | (59,671)                      | (31,456)                      |
| Intangible Assets                                                         | (27,279)                      | (61,690)             | 34,411                        | 34,387                        |
| Trade Receivables                                                         | -                             | -                    | -                             | 14,789                        |
| Other Assets                                                              | (845)                         | (1,471)              | 626                           | (663)                         |
| Debt                                                                      | -                             | (12,765)             | 12,765                        | 2,333                         |
| Subtotal                                                                  | (250,116)                     | (238,247)            | (11,869)                      | 19,390                        |
| Valuation Allowance on Tax Loss<br>Carryforwards - (charges) / recoveries | (31,874)                      | (12,373)             | (19,501)                      | 26,407                        |
|                                                                           | (281,990)                     | (250,620)            | (31,370)                      | 45,797                        |
| <b>Total Net Deferred Tax Assets / (Liabilities)</b>                      | <sup>(1)</sup> <b>374,892</b> | <b>242,994</b>       | <sup>(2)</sup> <b>131,897</b> | <sup>(2)</sup> <b>190,858</b> |

(1) As of December 31, 2015, it comprises Deferred Tax Assets in the amount of Ps. 374,891, disclosed in the Consolidated Balance Sheet.

(2) Includes Ps. 4.1 million and Ps. 4.3 million as of December 31, 2015 and 2014, corresponding to the consolidation / deconsolidation of subsidiaries, respectively. See Note 13.

As of December 31, 2015, the Company's and its subsidiaries' accumulated consolidated tax loss carryforwards amounted to approximately Ps. 646,692 thousand, which calculated at the current tax rate, represent deferred tax assets in the amount of approximately Ps. 226,342 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<br>Loss Carryforward |
|-----------------|------------------------------------|
| 2016            | 18,723                             |
| 2017            | 38,071                             |
| 2018            | 270,947                            |
| 2019            | 139,516                            |
| 2020            | 175,547                            |
| 2021            | 3,888                              |

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 and/or some of its subsidiaries may be forced to modify the price of their pay television subscription, a situation that could significantly affect the revenues of their core business. This creates a general framework of uncertainty over the businesses of Cablevisión and/or some of its subsidiaries that could significantly affect the recoverability of their relevant assets and Grupo Clarín S.A.'s assets related to its investment in Cablevisión. Notwithstanding the foregoing, as of the date of these financial statements, in accordance with the decision rendered on August 1, 2011 in re "LA CAPITAL CABLE S.A. v/ Ministry of Economy-Secretariat of Domestic Trade", the Federal Court of Appeals of the City of Mar del Plata has ordered the SCI to suspend the application of Resolution No. 50/10 with respect to all cable television licensees represented by the Argentine Cable Television Association ("ATVC", for its Spanish

acronym). Upon being served on the SCI and the Ministry of Economy on September 12, 2011, such decision became fully effective and may not be disregarded by the SCI. The National Government filed an appeal against the decision rendered by the Federal Court of Appeals of Mar del Plata to have the case brought before the Supreme Court. Such appeal was dismissed and so the National Government filed a direct appeal with the Supreme Court.

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

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

Cablevisión believes that Resolution No. 36/10 is illegal and arbitrary, since it is grounded on Resolution No. 50/2010, which is absolutely null and void. Since the application of Resolution No. 50/10 has been suspended, the application of Resolution No. 36/2011, which falls within the framework of the former, is also suspended.

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

dismissed in view of the claim pending in the City of Mar del Plata.

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

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

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

The Federal Court of Appeals of the City of La Plata reduced the fine to Ps. 10,000 per day.

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

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

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

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

It should be noted that, in light of the corporate reorganization of Cablevisión, both parties requested the suspension of the procedural periods for 180 days. The judge granted such

request. Therefore, the procedural terms are suspended until December 11, 2014. Given the decision rendered by the Supreme Court of Argentina in re “Municipality of Berazategui v. Cablevisión” mentioned below, the procedural periods remain suspended until the Federal Court of Mar del Plata renders a decision thereon.

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

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

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

b. Pursuant to the Antitrust Law and to Broadcasting Law No. 22,285, the transactions carried out on September 26, 2006 that resulted in an increase in the indirect interest the Company held in Cablevisión to 60%, Cablevisión’s acquisition of 98.5% of Multicanal and 100% of Holding Teledigital, and Multicanal’s acquisition of PRIMA (from PRIMA Internacional (now CMD)), required the authorization of the CNDC (validated by

the SCI), and the COMFER. On October 4, 2006, the Company, Vistone, Fintech, VLG and Cablevisión, as purchasers, and AMI CV Holdings LLC, AMI Cable Holdings Ltd. and HMTF-LA Teledigital Cable Partners LP, as sellers, filed for the approval of the acquisition. After several requests for information, the SCI issued Resolution No. 257/07, with a prior opinion of the CNDC in favor of the approval of the above-mentioned transactions and after consulting the COMFER and the SECOM, which did not raise any objections. The Company was served notice in this respect on December 7, 2007. Such Resolution was appealed by five entities. As of the date of these financial statements, the CNDC has dismissed the five appeals filed against the above-mentioned resolution. Four of 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 National Court of Appeals on Federal Civil and Commercial Matters revoking a decision rendered by the CNDC on September 13, 2007, whereby such agency had dismissed a claim filed by Gigacable S.A. prior to the December 7, 2007 decision referred to above. The Court of Appeals revoked CNDC’s decision only with respect to matters relating to the conduct of Cablevisión and Multicanal prior to CNDC’s authorization of the transactions on December 7, 2007, and ordered an investigation to determine whether a fine should be imposed on Cablevisión and Multicanal due to such conduct. As of the date of these financial statements, Cablevisión has filed its response, which is pending analysis by such agency.

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

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

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

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

Subsequently, on March 9, 2011, the Supreme Court of Argentina in re “MULTICANAL and Other v./ CONADECO - Decree 527/05 and other on/Proceeding leading to a declaratory judgment”, granted the appeal by right and the extraordinary appeal filed by the National Government and revoked the decision rendered by Chamber No. 3 of the National Court of

Appeals on Federal Administrative Matters, which had confirmed the preliminary injunction requested by Cablevisión in the first instance. Notwithstanding the foregoing, Cablevisión believes that this matter does not have a material impact on the merits of the case.

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

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

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

On December 17, 2009, the CNDC notified Cablevisión of the initiation of the motion for

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

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

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

On March 3, 2010, the Argentine Ministry of Economy and Public Finance issued Resolution No. 113 (subscribed by the Minister of Economy, Dr Amado Boudou) rejecting the request for the nullification of Resolution No. 1,011/09, the requests for abstention and excusation of certain officials, and all the evidence produced in connection with such request for nullification. The voluntary undertakings made by Cablevisión under Resolution No. 257/07 were deemed unfulfilled, thus declaring the rescission of the authorization granted under such resolution. The parties involved were ordered to take all necessary actions to comply with such rescission within a term of six months, and to inform the CNDC about the progress made in that respect on a monthly basis. Such resolution was appealed in due time and form. The appeal

was granted without staying the execution of judgment.

The appeal is currently pending before Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters in re “AMI CABLE HOLDING and other on/ Appeal of the National Antitrust Commission Resolution”.

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

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

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

The National Government - Ministry of Economy filed an appeal to have the case brought before the Supreme Court, which was substantiated in February 2016. Chamber No. 2 shall decide on the admissibility of that appeal and decide whether it will or will not submit the case to the Supreme Court of Argentina.

Cablevisión believes that it has strong arguments in its favor to have the decision revoked. 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 the Company’s financial statements should be read in light of such uncertainty.



d. 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.c and Note 9.4.4).

e. 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 believed it had strong arguments in its favor. The file was assigned No. 1281 and submitted to Chamber No. 2 of the National 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 National Court of Appeals on Federal 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 Court of Appeals dismissed the appeal filed by Cablevisión, and imposed court costs on Cablevisión.

On December 20, 2012 Cablevisión filed an appeal against the above-mentioned dismissal since it believed it had sufficient grounds to have the fine revoked. However, Cablevisión cannot assure that the outcome of the appeal will be favorable.

On July 29, 2013 Cablevisión settled the fine in the amount of Ps. 2.2 million and its compliance was recorded in the file.

f. 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 requesting that its defenses be sustained and all charges dismissed. On February 6, 2014 Cablevisión submitted the legal brief for the purpose of discussing the evidence submitted under File No. 171/2012.

Now the CNV's Board of Directors has to render its decision. 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 to Cablevisión.

g. 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 the events that motivated the proceedings (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 legal brief on the evidence has been submitted. 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.

h. 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 the two affected companies with which a subsidiary of Cablevisión has contractual arrangements in place. Consequently, on March 23, 2012 the 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. This motion to suspend the execution of the challenged resolution was brought as a

separate case, and progressed through the corresponding instances. The Office of the Attorney General for Administrative Litigation Matters, in its opinion No. 412/013 advised the Court on Administrative Litigation Matters to grant the motion to suspend the execution of the challenged resolution for formal reasons, but the Court dismissed the motion of suspension. Notwithstanding the foregoing, as of the date of these financial statements, the government authority has not yet enforced the decree.

On September 30, 2014, the Court on Administrative Litigation Matters through its decisions No. 416/2014 and No. 446/2014 revoked for formal reasons Decrees No. 73/012 and No. 231/011, respectively.

On March 9, 2015, Decree No. 82/015 was published in the Official Gazette, whereby the Executive Branch 1) repealed Decree No. 73/012; 2) 16 common stations are awarded to be held in common (the same stations) by BERSABEL S.A. and VISION SATELITAL S.A. for a term of 15 years: Two of the 16 stations are awarded on a secondary basis, which means that they may be exposed to interferences and they do not have the right to bring any claim in connection thereto; 3) use of existing stations must cease within 18 months of their award to mobile service operators; 4) both companies are expressly authorized to increase the number of TV signals (stations) included in their respective services making use of digitization techniques; 5) both companies shall submit before the Communication Services Regulatory Agency ("URSEC", for its Spanish acronym), within a fixed term of 60 calendar days as from the date of publication of the Decree, a technical plan for the migration and release of stations, which plan shall be assessed and approved by such agency (such plan was submitted on May 7, 2015); 6) the Bidding Terms governing the bid for frequency bands that were owned by both companies shall include an economic compensation mechanism for both companies to cover the expenses incurred in adapting their systems to the new stations awarded to them, in the amount of USD 7,000,000.

Even though both companies' request for the annulment of Decree No. 153/012 was granted for formal reasons (failure to serve prior notice) by the Court on Administrative Litigation Matters (decision 455 of June 11, 2015), this

decision does not change prior considerations about the terms of Decree No. 82/015 with respect to both companies due to the fact that Decree No. 305/015 (which substituted Decree No. 153/012) confirmed the allocation of channels 21 through 36 (512 MHz - 608 MHz) and 38 through 41 (614 MHz - 638 MHz), of 6 MHz each, in the UHF band exclusively for rendering accessible, free, digital broadcast television services all over the country, except for channels 35 (596-602 MHz), 36 (602-608 MHz) and 38 through 41 (614-638 MHz) only in the geographic area for which BERSABEL S.A. and VISION SATELITAL S.A. had received authorization, which will be used solely for rendering television services to subscribers through the codified UHF system, as it had been previously and expressly stated in Section 5 of Decree No. 82/015 (which repealed and amended the language of Section 1 of the above-mentioned Decree No. 153/012).

i. On June 4, 2012, the Federal Court of Appeals of Rosario partially confirmed SCI Resolution No. 219/2010, whereby the Secretariat 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, which are still pending before that Court of Appeals. On October 21, 2014, the Argentine Supreme Court dismissed the appeals; therefore, Resolution No. 219/10 became final.

The case is currently pending with the Court of Appeals of Rosario, 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.

j. On March 1, 2011, the SCI served notice to Multicanal and Cablevisión of Resolution No. 19/11 whereby the Secretariat 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.

k. 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.

l. On January 22, 2010, Cablevisión was served notice of CNDC Resolution No. 8/10 issued within the framework of file No. 0021390/2010 entitled "Official Investigation of Cable Television Subscriptions (C1321)". Pursuant to this 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 compliance with all required notices is certified in the records of the case. As established by that Resolution, companies that 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 refund to its subscribers in the March 2012

invoices the amount of any price increase made after the date of CNDC Resolution No. 8/10.

Cablevisión appealed both resolutions in due time and form and their effects were suspended by an injunction issued by Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters at the request of Cablevisión. The National Government filed an appeal with the Supreme Court against this decision, and the appeal has been dismissed.

On October 4, 2011, Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters granted the appeal filed against both decisions in re “Cablevisión and Other on Appeal against the Decision rendered by the National Antitrust Commission” (File 1,473/2010), declaring Resolution No. 8/10 moot and nullifying Resolution No. 13/10.

The National Government filed an appeal with the Supreme Court of Argentina against the decision rendered by Chamber No. 2, which was granted and is now pending before the Supreme Court of Argentina.

m. 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.

n. 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 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. The claimant has abandoned the claim it had brought, and the claimant's attorney must provide evidence of his attorney powers.

o. 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.

p. 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 television services/wrongful information provided by Customer Service, which 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 was sent by the National Administration of Domestic Trade to the National Court of Appeals on Federal Administrative Matters. It is now pending before Chamber No. 1 in re “Cablevisión SA v. DNCI Res. 308/12 and Other” (File 140/13). A decision has not been rendered yet.

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.

q. On July 5, 2013, the National Administration of Domestic Trade served notice to Cablevisión of Resolution No. 134/2013, whereby it imposed a fine of Ps. 500,000 for breach of Section 2 of Resolution ex S.I.C. y M. No. 789/98, which regulates the Business Loyalty Law No. 22,802. Cablevisión appealed that resolution on July 16, 2013. The administrative file was sent by the National Administration of Domestic Trade to the National Court of Appeals on Federal Administrative Matters. It is now pending before Chamber No. 3 in re “Cablevisión SA v. DNCI Res. 134/13 and Other” (File 36044/13). On May 20, 2014, Chamber No. 3 partially granted the appeal filed by Cablevisión and reduced the fine to Ps. 300,000 and ordered that each party shall bear its own legal costs. On June 9, 2014, Cablevisión filed an appeal with the Argentine Supreme Court. On September 18, 2014, Cablevisión was served notice of the extraordinary appeal filed by the National Government, and on October 2, 2014 that company filed a response. On October 9, 2014, the Chamber dismissed both appeals.

On October 08, 2010, the National Administration of Domestic Trade served notice to Cablevisión of Resolution No. 697/2010, whereby it imposed a fine of Ps. 500,000 for breach of Section 21 of the Business Loyalty Law No. 22,802. Cablevisión appealed that resolution on October 26, 2010. The administrative file was sent by the National Administration of Domestic Trade to the National Court of Appeals on Federal Administrative Matters. It is now pending before Chamber No. 3 in re “Cablevisión SA v. DNCI Res. 697/2010 (File S01:80822/10) and Other” (File 1,277/2011). On December 29, 2011 the Court of Appeals dismissed the appeal filed by Cablevisión, and imposed court costs on Cablevisión. On February 22, 2012, Cablevisión filed an appeal with the Argentine Supreme Court. The appeal was dismissed by the Chamber on April 10, 2012. On April 26, 2012, Cablevisión filed an appeal against the above-mentioned dismissal. The Supreme Court of Argentina granted the appeal and revoked the decision against which Cablevisión had filed the appeal with legal costs to be borne by the National Administration of Domestic Trade, and ordered that the case be sent back to the court of first instance for it to render a new decision based on the precedent indicated in its ruling.

r. On March 16, 2012, CNV issued Resolution No. 16,765 whereby it ordered the initiation of summary proceedings against Cablevisión, its directors and members of the Supervisory Committee 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 Decision rendered by the Supreme Court of Argentina in re “Application for judicial review brought by the National Government Ministry of Economy and Production of the case Multicanal S.A. and other v/CONADECO Decree No. 527/05” and other, and also considers that Cablevisión did not disclose certain issues related to the information required by the CNV in connection with its Class 1 and 2 Noteholders' Extraordinary Meetings held on April 23, 2010. On April 04, 2012, that company filed a response requesting that its defenses be sustained and that all charges against it be dismissed. The discovery stage has been closed. The legal brief has already been submitted. Cablevisión and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, Cablevisión cannot assure that the outcome of the summary proceedings will be favorable.

s. On August 28, 2015, Cablevisión was served notice of Resolution No. 17,769 dated August 13, 2015 whereby the CNV 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 delay in the submission of the required documentation. The CNV considers that Cablevisión failed to comply with effective regulations because it filed certain documentation outside the regulatory term set by CNV rules (T.R. 2013, as amended). Cablevisión, as well as its directors, members of the Supervisory Committee and Head of Market Relations filed a response in due time and form requesting 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 to Cablevisión. On January 20, 2016, the preliminary hearing was held pursuant to Section 138 of Law No. 26,831 and Article 8, Subsection b.1. of Section II, Chapter II, Title XIII of the Regulations (T.R. 2013).

## **8.2 Claims and Disputes with Governmental Agencies**

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

On the same date, the Company was served with a claim brought by Argentina's National Social Security Administration requesting the nullity of the decision made on point 7 (Appropriation of Retained Earnings) of the agenda of the Annual Ordinary Shareholders' Meeting held on April 22, 2010. As of the date of these financial statements, the Company has duly answered the complaint and the intervening judge has ordered discovery proceedings.

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

On July 12, 2013 the Company was served notice of Resolution No. 17,131; dated as of July 11, 2013 whereby the CNV declared that the administrative effects of the decisions adopted at the Annual Ordinary General Shareholders' Meeting held on April 25, 2013 were irregular and ineffective, based on allegations that are absolutely false and irrelevant. According to the Company and its legal advisors, Resolution No. 17,131 is, among other things, null and void, because it lacks sufficient grounds and its enactment is a clear abuse of authority and a further step in the National Government's attempt to intervene in the Company. On October 11, 2013 Chamber No. 5 of the National Court of Appeals on Federal Administrative Matters issued a preliminary injunction in re "Grupo Clarín S.A.

v. CNV - Resol No. 17.131/13 (File 737/13)" File No. 29,563/2013, whereby it suspended the effects of Resolution No. 17.131/2013 dated July 11, 2013 which had rendered irregular and with no effect for administrative purposes the Company's Annual Ordinary Shareholders' Meeting held on April 25, 2013. As of the date of these financial statements, the preliminary injunction is still in effect.

In August 2013 the Company was served with a nullification claim brought by Argentina's National Social Security Administration relating to the Annual Ordinary Shareholders' Meeting held on April 28, 2011 whereby it requested the nullity of all the decisions made at such meeting and, as a default argument, the nullity of the decisions made on points 2, 4 and 7 of that meeting's agenda, as well as the nullity of the decisions made at the Extraordinary Meetings of Class A, B and A and B Shareholders. As of the date of these financial statements, the Company has filed a response in due time and form.

On September 17, 2013 the Company was served with a nullification claim brought by Argentina's National Social Security Administration relating to the Annual Ordinary Shareholders' Meeting held on April 26, 2012 whereby it requested the nullity of all the decisions made at such meeting and, as a default argument, the nullity of the decisions made on points 8 and 4 of that meeting's agenda, as well as the nullity of the decisions made at the Extraordinary Meetings of Class A, B and A and B Shareholders. As of the date of these financial statements, the Company has filed a response in due time and form.

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

On September 16, 2014, the Company received a communication from its controlling shareholder,

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

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

b. The Argentine Federal Revenue Service (“AFIP”) served the subsidiary CIMECO with a notice challenging its income tax assessment for fiscal years 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, 2015 would amount to approximately Ps. 12.3 million for taxes and Ps. 38.2 million for 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 years 2003 through 2007 and ordering the initiation of summary proceedings. The AFIP’s assessment shows a difference in its favor in the Income Tax liability for the periods indicated above 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 years 2003 through 2007, in which it applied the same method for the calculation as 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. 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 years 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 would correspond 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 that agency seeks

to annul the registration with the Public Registry of Commerce of the appointment of GC Dominio S.A.'s authorities, approved at the Shareholders' Meeting held on May 17, 2011. The claim is pending before the Federal Court of First Instance on Commercial Matters No. 25, Clerk's Office No. 49 ("Inspección General de Justicia v. Dominio S.A. on/Ordinary", File No. 58652). The claim brought by the IGJ seeks to annul the registration with IGJ of the appointment of GC Dominio S.A.'s authorities, approved at the Annual 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 issued an injunction in favor of the IGJ ordering that the existence of this claim be duly noted. The Court of Appeals has confirmed the decision to order that the existence of this claim be duly noted.

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

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. The FIU is acting as plaintiff in this case. One of the Company's

directors made a spontaneous appearance and filed a response and produced documentary evidence. Certain charges pressed by Representative Di Tullio were also added to the case. In addition, the Prosecutor requested that the charges be investigated and that certain evidentiary measures be taken which have not yet been fulfilled as of the date of these financial statements.

In March 2014, the intervening prosecutor Miguel Angel Osorio broadened the request for evidence with regard to intercompany movements between Cablevisión and certain subsidiaries, all of which were regular and had been duly recorded.

The Company and its legal advisors consider that there are strong arguments in the Company's favor, and have gathered evidence that supports the lack of involvement of anyone in any such unlawful 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. The subsidiary AGEA received several inspections from the AFIP aimed at verifying compliance with the so-called competitiveness plans implemented by the National Executive Branch. After several reports issued by the AFIP and the corresponding Resolutions issued by the Ministry of Economy, such agencies allege that certain acts performed by AGEA during 2002 lead to the nullity of some of the benefits granted under said plans, including adjustments, for an estimated total amount of Ps. 61 million. In April 2013, AGEA was served with AFIP Resolution No. 03/13, whereby such agency decided to exclude AGEA from the Registry of Beneficiaries of the Competitiveness and Employment Generation Agreements under the Cultural Sector Agreement, as from March 4,



2002. The AFIP ordered the restatement of the tax returns and the remittance of the corresponding amounts. AGEA filed an appeal against such resolution. Notwithstanding the foregoing, in re “AEDBA and Other v. Ministry of Economy Resolution No. 58/10”, the Federal Court on Administrative Matters No. 6 issued an injunction ordering AFIP to refrain from initiating and/or continuing with the administrative proceeding/s and/or any act that would entail the enforcement of the amounts payable under Resolution No. 3/13, until a final decision is rendered. Notwithstanding the foregoing, AGEA cannot assure that the appeal will be resolved in its favor.

h. On April 9, 2013, Cablevisión was served notice of AFIP Resolution No. 45/13 dated April 3, 2013, whereby such agency imposed penalties in a summary proceeding against that company with respect to compliance with General Resolution No. 3,260/12. Cablevisión filed an appeal, which has staying effects on the execution of those penalties.

i. Pursuant to Resolution No. 17,522 issued on September 18, 2014 and notified to AGEA on September 24, 2014, the Board of Directors of the CNV decided to initiate summary proceedings against AGEA, certain current and past members of its Board of Directors and supervisory commission -who occupied those positions between September 19, 2008 and the present date- and against that company's Head of Market Relations, for an alleged failure to comply with the duty to inform that AGEA was a co-defendant in re “CONSUMIDORES FINANCIEROS ASOCIACION CIVIL PARA SU DEFENSA AND OTHER V. GRUPO CLARIN S.A. AND OTHER on EXPEDITED SUMMARY PROCEEDING” (File No. 065441/08). The summary proceeding is grounded on an alleged failure to comply with Article 5, subsection a), the first part of Article 6 and Article 8, subsection a) part V) of the Annex to Decree No. 677/01; with Articles 1, 2 and 3, subsection 9) of Chapter XXI of the REGULATIONS (T.R. 2001 as amended) -now Article 1 of Section I, Chapter I, Title XII of the REGULATIONS (T.R. 2013 as amended); with Articles 2 and 3 subsection 9) of Section II, Chapter I, Title XII of the REGULATIONS (T.R. 2013 as amended); with Article 11 subsection a.12) of Chapter XXVI of the REGULATIONS (T.R. 2001 as amended) - now Article 11 subsection 13) of Section IV,

Chapter I, Title XV of the REGULATIONS (T.R. 2013 as amended); with Article 99 and 100 of Law No. 26,831; and with Articles 59 and 294 subsection 9) of Law No. 19,550. AGEA, and 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. On February 11, 2015, the preliminary hearing was held pursuant to Article 8, subsection b.1.), Title XIII, Chapter II, Section II of the Regulations (T.R. 2013, as amended). On August 19, 2015, the company submitted the legal brief for the discovery stage.

j. On February 27, 2013, the AFIP served IESA with a notice stating the income tax and value added tax charges assessed for fiscal period 2008 and ordering the initiation of summary proceedings for alleged omitted taxes. The AFIP mainly challenged the deduction of certain expenses and fees, as well as the calculation of the corresponding tax credit. IESA filed an appeal in connection thereto, which is currently pending before the National Tax Court. The official assessment amounts to Ps. 1.4 million for income tax and Ps. 3 million for late-payment interest, calculated as of December 31, 2015.

The official value-added tax assessment amounts to Ps. 0.8 million for tax differences and Ps. 1.8 million for late-payment interest, calculated as of December 31, 2015.

On October 21, the AFIP served IESA with a notice stating the income tax and value added tax charges assessed for fiscal period 2009 and ordered the initiation of summary proceedings for alleged omitted taxes. In this case, the AFIP mainly challenged the deduction of fees, as well as the calculation of the corresponding tax credit. IESA filed an appeal in connection thereto, which is currently pending before the National Tax Court. The official assessment amounts to Ps. 1.2 million for income tax and Ps. 2.4 million for late-payment interest, calculated as of December 31, 2015.

The official value-added tax assessment amounts to Ps. 0.4 million for tax differences and Ps. 1.1 million for late-payment interest, calculated as of December 31, 2015.

IESA and its legal and tax advisors believe that it has strong arguments in its favor to defend the criterion adopted in its tax returns.

### 8.3 Other Claims and Disputes

a. On June 22, 2007, TSC executed several documents with AFA, applicable from the 2007/2008 until the 2013/2014 soccer seasons, whereby TSC held all the broadcasting rights for ten of the Argentine soccer first division official tournament matches played each week.

On August 13, 2009 AFA notified TSC of its decision to terminate unilaterally the above-mentioned agreement. TSC 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 before a commercial court for contractual breach and damages.

AFA summoned the National Government as a third party, and the National Government was incorporated to the proceedings. The National Government requested that the case be submitted to the Court on Federal Administrative Matters. The request was dismissed by the Commercial Court of Appeals, which ratified the jurisdiction of the Commercial Court.

The National Government filed an appeal in connection with the jurisdictional conflict with the Supreme Court of Argentina, which dismissed the appeal and ordered that the file be submitted to the Court of First Instance for the initiation of discovery proceedings.

b. On January 31, 2012, FADRA informed Grupo Carburando's subsidiary Mundo Show S.A. of 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. In light of the events, 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, in 2012 an allowance was set up for impairment of goodwill and other assets related to such agreement of approximately Ps. 17 million. On July 17, 2013, some of the Company's subsidiaries executed an agreement in order to settle the legal actions brought as a consequence of the termination of TV broadcasting rights and sponsorship agreements relating to the Turismo Carretera and TC Pista road racing events, whereby

FADRA undertook to pay damages for an aggregate and final amount of Ps. 16.5 million in 23 monthly and consecutive installments. In addition, it assigned all of its equity interest in TCM, which represents 20% of its capital stock and votes. The parties also settled the claims brought against FADRA in re "Mundo Show v. FADRA on pending cash collection, File No. 10041/2012", whereby FADRA paid Ps. 1.5 million in exchange for the dismissal of the legal actions.

c. 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 that, 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.

d. 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.

e. On April 25, 2013 Grupo Clarín S.A. held its Annual Ordinary Shareholders' Meeting. As a result of the issues raised at this Meeting, some of the permanent directors informed the Company that they had pressed criminal charges against the representatives of the shareholder ANSES and of the CNV (Messrs. Reposo, Kicillof, Moreno, Vanoli, Fardi and Helman) for making statements and intellectual

constructions which, under the appearance of being included in the new regulations of the Argentine Capital Markets Law, only sought to discredit the Board of Directors and caricature its management, creating pretexts that may lead to an intervention of the Company without judicial control pursuant to the new powers vested on the CNV by Capital Markets Law No. 26,831. On April 26, 2013, the Board of Directors decided to press charges on the same grounds.

Consequently, the Company sent a letter to the CNV, in which it clearly stated that what had happened at that Meeting could not be considered in any way as an acknowledgment of the legitimacy of the powers vested on the CNV by Law No. 26,831 and/or the regulations that may be issued in the future. The letter also stated that the Company reserved its right to file the pertinent legal actions at any time to request the declaration of the evident unconstitutionality of that law. It also requested the CNV to refrain from performing any act or issuing any resolution that would lead to the execution of the plan of which they had been accused before the courts.

f. On May 30, 2013, Pem S.A. was served notice of a claim in re “TELEVISORA PRIVADA DEL OESTE S.A. v. GRUPO CLARÍN S.A. AND OTHERS on ORDINARY” File No. 99078/2011, which is pending before the Federal Commercial Court No. 16 of First Instance, Clerk’s Office No. 32. The claim seeks damages resulting from certain decisions made with respect to Televisora Privada del Oeste S.A. Cablevisión and the Company, among others, are defendants in such lawsuit. Cablevisión was served with the claim and filed a response in due time and form. Notice of the claim is being served on the other co-defendants. According to the Company’s legal advisors, the chances of success of the claim are low because the damages claimed are clearly overstated, the actual damage invoked does not exist and the claim is procedurally inappropriate, on both a factual and legal basis. Pem S.A. filed a response and, to date, the judge has not ordered discovery proceedings yet because the claim has not been served on the other defendants. In view of the level of conflict that has arisen among the parties and the length of time it is taking to reach a solution, Cablevisión cannot ascertain the outcome of this claim.

g. In March 2012, ARTEAR brought a summary action for the protection of constitutional rights against the National Government (Chief of the Cabinet of Ministers and Secretariat of Public Communication) and against Messrs. Juan Manuel Abal Medina and Alfredo Scoccimarro, in order to request that the National Government cease in the arbitrary and discriminatory allocation of official advertising with respect to Arte Radiotelevisivo Argentino S.A. ARTEAR requested (i) that the court order the maintenance of a balanced allocation with respect to the amount of official advertising received in previous years, and in particular prior to 2008, and with respect to the amount of official advertising allocated to other broadcasters of similar characteristics, and (ii) that the conduct of the above-mentioned officials be declared illegitimate, on account of their having abusively exercised their discretionary power to manage public funds destined to official advertising, discriminating against Canal 13, which is owned by ARTEAR.

On February 11, 2014, the Supreme Court of Argentina decided in re “Arte Radiotelevisivo Argentino S.A. v. National Government - Chief of the Cabinet of Ministers and Media Secretariat on summary action for the protection of constitutional rights (acción de amparo) Law No. 16,980” to confirm the decision rendered in that respect by Chamber No. 4 of the National Court of Appeals on Federal Administrative Matters. This Court admitted the summary action brought by ARTEAR and ordered the National Government to provide for the drafting and submission to the first instance court of a scheme for the allocation of official advertising that included the broadcasters with characteristics analogous to those of ARTEAR. Among those broadcasters, the Court of Appeals included América TV S.A. (Canal 2), Telearte S.A. (Canal 9), Televisión Federal S.A. (Canal 11), ARTEAR (Canal 13) and SNMP S.A. and RTA S.E. (Canal 7). The allocation scheme must faithfully conform to the guidelines of proportionality and equity set forth in the ruling. The term for submitting the allocation scheme was set at thirty days after that decision became final. As of the date of these financial statements, ARTEAR brought two claims for non-compliance with that decision before the National Court of First Instance on Federal Administrative Matters No. 12, Clerk’s Office No. 23. ARTEAR obtained a favorable decision

and, as of the date of these financial statements, the Court of Appeals is reviewing the judge's decision and considering ARTEAR's request that fines be imposed on the defendant for not complying with the Supreme Court's decision.

After ARTEAR had filed several complaints denouncing non-compliance with the decision rendered by the Supreme Court, the judge of the National Court of First Instance on Federal Administrative Matters No. 12, Clerk's Office No. 23 admitted these complaints in June 2015. The judge held that the defendant had not complied with the Supreme Court's decision and ordered that it begin to comply going forward.

h. The claimants representing media companies in re "AEDBA and Other v. National Government -Decree No. 746/03- AFIP on Incidental Procedure" pending before the Court on Federal Administrative Matters No. 4 requested that media companies represented by the claimants be granted the right to have a differential VAT regime as undertaken by the National Government under Decree No. 746/03 and the rules and regulations issued in connection thereto.

On October 30, 2003, a preliminary injunction was issued in connection with the above-mentioned file, ordering the National Government to maintain the effectiveness of the benefit granted under Decree No. 746/03. The National Government filed an appeal against that decision and on November 6, 2008, the Court of Appeals granted the request to have the injunction revoked, among other things. On November 27, 2008, the claimants filed an appeal with the Supreme Court of Argentina requesting the suspension of the enforcement of such ruling.

On October 28, 2014, the Supreme Court of Argentina issued a ruling in connection with the above-mentioned file, whereby it declared the appeal formally admissible and thus confirmed the effectiveness of the above-mentioned preliminary injunction. In the recitals of its ruling, the Supreme Court stated that: (i) as of the date of the decision, the Executive Branch had not yet established any regime to replace the so-called competitiveness and employment generation agreements; (ii) the differential VAT regime provided under Law No. 26,982 was only applicable to small media companies, not

to all media companies; (iii) the tax policy must not be biased and cannot be used as a way to curtail freedom of speech; (iv) the alternative solution that had to be sought ruled out, as a matter of principle, the application of the general regime; (v) even though the merits have not been decided upon (differential VAT regime), the injunction that had been issued in connection thereof shall remain effective until such a solution to the matter is reached; (vi) the legal entities that met the obligations within the scope of the injunction shall not be deemed delinquent; and (vii) the judge of the first instance court shall render an urgent decision on the merits.

On December 10, 2014, the Federal Court on Administrative Matters No. 4 rendered a decision on the merits in re AEDBA and other v. National Government Decree No. 746/03 and other on Proceeding leading to a declaratory judgment" ordering, among other things, that: The claimants (media companies) have the standing to sue; that the judge cannot legislate because only the Legislative Branch is empowered to do so; that, pursuant to the enactment of Law No. 26,982, the obligation undertaken by the Executive branch has already been met since the differential VAT rates have already been set and, therefore, the claim is moot; that, based on the decision rendered by the Supreme Court of Argentina, the companies cannot be deemed delinquent.

Given the fact that the above-mentioned decision opposes and contradicts the grounds stated by the Supreme Court, the claimants (AEDBA, ARPA, ADIRA, as well as other associations) filed an appeal against the decision rendered by the above-mentioned court of first instance with the corresponding Court of Appeals. On October 1, 2015, Chamber II of the Court of Appeals on Federal Administrative Matters admitted the appeals filed by the claimants and revoked the decision rendered by the Court on Federal Administrative Matters No. 4, ordering that the effectiveness of the preliminary injunction be maintained and authorizing the calculation of employer's contributions as tax credit on VAT until the Executive Branch complies with the provisions of Decree No. 746/03.

On December 3, 2015, the Supreme Court of Argentina dismissed the appeal filed by the Executive Branch. Therefore, the decision

rendered by the Court of Appeals became firm and final.

As a result of the foregoing, AGEA and some of its subsidiaries and Radio Mitre started to calculate employer's contributions as tax credit on VAT as from November 2014.

i. On October 3, 2014, ARTEAR and some of its subsidiaries submitted a request to join the Association of Argentine Private Broadcasters ("ARPA", for its Spanish acronym), which became effective as from June 2015. As a result of the above-mentioned incorporation, that company became eligible to enjoy the benefit, provided under Decree No. 746/03, of calculating employer's contributions as tax credit on VAT.

ARPA is a party to "Association of Newspaper Publishers of the City of Buenos Aires (AEDBA, for its Spanish acronym) and other -ADIRA, AAER, ATA AND ARPA- v. National Government - Decree No. 746/03 - AFIP on Autonomous Preliminary Injunction", in respect of which the Supreme Court of Argentina rendered a decision on October 28, 2014. These associations had requested a preliminary injunction ordering the Executive Branch to maintain the effectiveness of the benefit of calculating employer's contributions as tax credit on VAT, pursuant to Decree No. 746/03, for the companies that belong to these associations, or else, as a default argument, ordering the AFIP to refrain from claiming payment on the corresponding taxes. In addition, the Court confirmed the decision on the extended preliminary injunction stating that, notwithstanding the decision, the claimants shall not be deemed delinquent within the framework of the preliminary injunction. On October 1, 2015, Chamber II of the Court of Appeals on Federal Administrative Matters admitted the appeals filed by the claimants and revoked the decision rendered by the Court on Federal Administrative Matters No. 4, ordering that the effectiveness of the preliminary injunction be maintained and authorizing the calculation of employer's contributions as tax credit on VAT until the Executive Branch complies with the provisions of Decree No. 746/03.

On December 3, 2015, the Supreme Court of Argentina dismissed the appeal filed by the Executive Branch. Therefore, the decision

rendered by the Court of Appeals became firm and final.

As a result of the foregoing, ARTEAR and some of its subsidiaries started to calculate employer's contributions as tax credit on VAT as from July 2015.

j. Cablevisión, together with its merged companies and ATVC, brought a claim requesting the Judicial Branch, through a final decision rendered in a contradictory trial, to declare: 1) that the National Government undertook the obligation to provide an alternative solution to the repeal of the regime established under Section 52 of Decree No. 1,387/01 for companies that render supplementary broadcasting services and cable television services, which shall contemplate the reasons for excluding these companies from the repeal of Decree No. 1,387/01 through Decree No. 746/03, and 2) that while the Government considers the situation of those companies to find such an alternative solution, it shall maintain the effectiveness of the regime established under Section 52 of Decree No. 1,387/01 (cfr. fs.2/12).

On October 1, 2015, Chamber II of the Court of Appeals on Federal Administrative Matters, in a single joint decision in re "AEDBA and other v. National Government - Decree No. 746/03 - AFIP on Incidental Procedure", decided that, among other things, even though ATVC was not among the claimants that had been granted an injunction in the other two related cases, as mentioned above, the situation was also applicable to other associations in that sector, therefore, the decision shall also apply to this association. Under these conditions, the claims brought by the claimants shall be admitted - in the joinder of the three claims - and the claimants and the companies represented by them are entitled to have a differential VAT regime applicable to the sectors involved which shall be created, enforced and regulated by the authorities duly empowered by the Constitution to such end. This regime shall guarantee the full exercise of the rights recognized under Section 14 of the National Constitution, as well as the maintenance of the exception provided under Section 2 of Decree N° 746/03 from the repeal of Section 52 of Decree No. 1,387/01. On December 3, 2015, the Supreme Court of Argentina dismissed the appeal filed by the Executive Branch. Therefore,

the decision rendered by the Court of Appeals became firm and final.

As a consequence, Cablevisión and its subsidiaries started to calculate employer's contributions as tax credit on VAT as from September 2015.

#### **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.

On March 26, 2014, the Supreme Court of Argentina dismissed the appeal that had been filed by the CNV. Therefore, the decision rendered by the Court of Appeals that nullified Resolution No. 16,222 became final, with full force and effect. Also on the same date, the Supreme Court of Argentina dismissed the appeals brought by CNV and the National Government. Therefore, the decision rendered by the Court of Appeals that revoked the corporate intervention of Papel Prensa became final, with full force and effect.

None of the claims mentioned in the above paragraphs had a material effect on AGEA's financial and economic condition as of December 31, 2015.

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. On June 2, 2015, the dismissal of the claim brought by Papel Prensa against the constitutionality of Resolution No. 1/2010 became final. The court held that the claim became moot upon the enactment of Law No. 26,736. The Company understands that the substantive claim is now subject to the

outcome of the claim brought by Papel Prensa against the constitutionality of Law No. 26,736, currently pending before the Federal Civil and Commercial Court.

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 at the 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 that was approved by the Board of Papel Prensa 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 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 1st, 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 occurs first. In view of the decisions rendered in this case, the substantive claim, in this aspect, is now subject to the outcome of the claim brought by Papel Prensa against the constitutionality of Law No. 26,736. With respect to related parties, the Board of Directors of Papel Prensa approved the same sales policy and conditions as those approved for the other customers in general.

In a meeting held on December 27, 2011, the Board of Directors of Papel Prensa decided to maintain for 2012 the same sales policy 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), which was maintained in subsequent years and, to date, no changes have been introduced.

The commercial policy approved by Papel Prensa was affected by Law 26,736 -effective as from January 5, 2012- which declared that the production, sale and distribution of wood pulp and newsprint were matters of public interest 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 with 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 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.

On June 12, 2014, the Court of Appeals decided to postpone rendering a decision on the appeals filed until the court-convened shareholders' meeting that began on August 29, 2012 had been resumed and closed, ordering Judge O'Reilly to decide on the pending issues and to order the shareholders to resume that meeting. On December 4, 2014, the Judge called Papel Prensa, the CNV, and the shareholders of AGEA, the National Government, SA La Nación and CIMECO to a hearing to be held on May 6, 2015, in order to proceed as ordered by the Court of Appeals. In light of the above, the new date for resuming that meeting may not be set until Judge O'Reilly has complied with the decision rendered by the Court of Appeals.

On April 29, 2015, the Judge suspended the hearing that was to be held on May 6, 2015 because the National Government failed to answer the notice served by the Judge requesting a statement identifying the officials that would attend the hearing with sufficient powers to reach a settlement pursuant to Decree No. 411/80 (T.R. Decree No. 1,265/87, as amended). The Judge set a new date for the hearing to be held on April 14, 2016. In view of the above, the date for resuming such meeting is subject to the outcome of that hearing.

V. On June 6, 2013, the Board of Directors of the CNV issued CNV Resolution No. 17,102, within the framework of the Administrative File No. 1032/10, whereby it required that: (i) certain members of Papel Prensa's Supervisory Committee and statutory auditors be imposed a fine of Ps. 150,000 each; and (ii) Papel Prensa,

certain members of its Board of Directors, one member of its Supervisory Committee and the members of its Oversight Board (all of them representatives of Papel Prensa's private shareholders) be imposed a joint and several fine of Ps. 800,000. Papel Prensa and its other current and former officers appealed the fine in due time and form. In the same appeal, they requested an injunction to change the effect of their appeal and suspend the application of the fine. On October 11, 2013, Chamber No. 5 of the Federal Court on Administrative Matters denied this request, which was considered unnecessary in the light of the settlement of the fine by the claimants, as informed below. Notwithstanding the above, on June 19, 2013, the Company asked the CNV to suspend the application of the fine until a decision was rendered by the Court of Appeals with respect to the injunction. The request was denied. On June 28, 2013, the fine was paid under protest in order to prevent its coercive enforcement by the CNV; given that, under the new Capital Markets Law No. 26,831, appeals may be admitted without suspension of judgment.

VI. 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.

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## Note 9

### Regulatory framework

#### 9.1 Audiovisual Communication Services Law.

##### 9.1.1. Law No. 22,285.

The subsidiaries of Grupo Clarín that render audiovisual communication services are holders of licenses that were originally awarded under the regime established by Law No. 22,285. The COMFER was the enforcement authority established by that law. Under Law No. 22,285 audiovisual communication service companies in Argentina required a non-exclusive license from the COMFER in order to operate. Other approvals were also required, including, for some services, authorization by municipal agencies.

The multiple license regime established under Law No. 22,285 allowed licensees to hold at the national level up to twenty-four (24) sound or

television broadcasting licenses and did not set any limits to the ownership of subscription television services located in several areas. At the local level, one individual or legal entity could have up to one sound broadcasting license, one television license and one subscription television license. In this last case, FM broadcasting services were not included in this limit if they were broadcast from the same station and location as the AM broadcasting services.

Broadcasting licenses were granted for an initial period of 15 years, allowing for a one-time extension of 10 years. The extension of the license was subject to the approval of the COMFER, which would determine whether or not the licensee had met the terms and conditions under which the license had been granted. Some of the licenses exploited by the subsidiaries, including the license that had been originally granted to Cablevisión (with an extended term that originally expired on March 31, 2006), have already been extended for the above-mentioned 10-year term.

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

The subsidiaries of the Company that render audiovisual communication services had requested the COMFER's approval of several transactions, including several company reorganizations and share transfers of licensees. Those approvals, except for the approval of the merger of Cablevisión and its subsidiaries (see Note 9.4.2.), are still pending.

However, by declaring the Proposal submitted by Cablevisión formally admissible through Resolution No. 193/AFSCA/2014, the Enforcement Authority recognized the direct and indirect ownership of the subscription television services mentioned in the Proposal (See Note 9.4.1.).

#### **9.1.2. Law No. 26,522**

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

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

The new law introduced, among other things:

- A license award and review scheme that granted wide discretion to the Executive Branch,
- 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) restricted to 10 the number of Audiovisual Communication Service licenses, plus a single broadcasting signal for radio, broadcast TV and subscription cable TV services that made use of the radio spectrum; ii) restricted the licensing of subscription broadcasting services rendered by means of a physical link (cable), limiting the number of licenses to 24; iii) set forth a further restriction on these services, which could not be provided to more than 35% of all inhabitants or subscribers nationwide; iv) established that a broadcast TV signal and a cable TV signal could not be simultaneously exploited in the same location, and v) established that broadcast TV networks could only own one cable TV signal. The same applied to cable TV networks, which could only own the so-called “local channel”, which was mandatory for every license
- Mandatory quotas for certain types of content.

Also controversially, the law imposed retroactive effects by requiring holders of current broadcasting licenses - which had been 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 were set in place.

The Executive Branch regulated most sections of the LSCA by means of Decree No. 1,225/2010. The most notably arbitrary provision of this decree is the highly discretionary mandatory divestiture system provided by the regulation of Section 50 of the Audiovisual Communication Services Law, with evident confiscatory effects.

Several concerns were expressed about this law, which was understood to have defects that rendered it unconstitutional; to damage seriously the development of the audiovisual industry and to restrict fundamental freedoms. Even though some claimants, including Grupo Clarín and its main subsidiaries, made court filings on that basis, which led to the provisional suspension with respect to Grupo Clarín and certain subsidiaries of Section 161 of the LSCA until a final decision was rendered, on October 29, 2013, the Company was served with a decision rendered by the Supreme Court of Argentina whereby it dismissed the unconstitutionality claim brought by the

Company and certain subsidiaries, confirming the constitutionality of the challenged sections, and rejected the claim for damages as brought under the case file.

This Note should be read in conjunction with Note 9.3. “Decree No. N° 267/15”.

## **9.2 Telecommunication Services.**

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

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

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

The TIC Services registered with the Argentine Secretariat of Communications under the name of Cablevisión, its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses are the following: Data Transmission, Paging, Videoconference, Community Retransmission, Transport of Broadcast Signals, Value-Added, Radio-Electric Trunking, Internet Access, Public Telephony, Local Telephony and National and International Long-Distance Telephony. (See Note 9.4.6.).

The law created a new enforcement and oversight Authority as a decentralized agency

under the jurisdiction of the Executive Branch, the Information and Communications Technology Federal Enforcement Authority (“AFTIC”, for its Spanish acronym).

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

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

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

The foregoing applies to any provider that has its own infrastructure or networks, because the term “Associated facilities” is defined as physical infrastructures, systems, devices, associated services or other facilities or elements associated

with a telecommunications network or with TIC Services that enable or support the provision of services using that network or service, or that have the potential to do so; and will include, inter alia, buildings or building entrances, building wiring, antennas, towers and other supporting constructions, ducts, masts, manholes, and cabinets.

Implementing regulations for Law No. 27,078 are still pending. Therefore, the economic and operational impact that the creation of this public service may have on Cablevisión, its merged companies and/or subsidiaries and related companies cannot be ascertained.

Decree No. 677/2015 established the mechanisms to set up the Enforcement Authority and some of the directors were appointed.

This Note should be read in conjunction with Note 9.3. “Decree No. N° 267/15”.

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

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

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

This is so, because the new Decree provides:

“Section 45. Multiplicity of Licenses. In order to guarantee the principles of diversity, plurality and respect for local affairs, individuals or legal entities may hold or have an interest in companies holding audiovisual communication service licenses, subject to the following limits:

1. At the national level:

a) ONE (1) audiovisual communication services license on satellite support. The ownership of a license for subscription satellite audiovisual communication services excludes the possibility of holding any other type of audiovisual communication services and TIC service licenses governed by Law No. 27,078;

b) Up to FIFTEEN (15) audiovisual communication service licenses in the case of television or sound broadcasting.

2. At the local level:

a) ONE (1) sound broadcasting license for amplitude modulation (AM);

b) ONE (1) sound broadcasting license for frequency modulation (FM) or up to TWO (2) licenses when there are more than EIGHT (8) licenses in the primary service area;

c) ONE (1) broadcast television license.

Under no circumstances may the aggregate number of the licenses granted in the same primary service area or set thereof with a high degree of overlapping exceed the number of FOUR (4) licenses.”

The audiovisual communication services and/or registered titles owned by the companies in which the Company has a direct or indirect interest do not contravene the new limits regarding the multiplicity of licenses. In this sense, at the national level (Part 1 of Section 45), the Proposal submitted by the Company, which under the new legal regime became moot, evidences that the Company is not the holder by itself or through its subsidiaries and/or related companies of an audiovisual communication service license on satellite support (Subsection a Part 1). On the other hand, the Company has direct or indirect interests in companies that own 5 broadcast television services and 9 sound broadcast services; therefore, it also complies with the

limit imposed under the new Subsection b) of the same Part. At the local level, the Company does not have interests in licensees of more than 4 audiovisual communication services in any locality. The localities where the Company indirectly holds, always in terms of indirect ownership, more services are the cities of Buenos Aires and Córdoba (the latter bears the same name as the province where it is located). In both cities it has one broadcast television channel, one AM broadcast service and one FM broadcast service, respectively.

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

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

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

i) The incompatibility to provide in the same location broadcast television services and subscription television services. When subscription television services are exploited through physical or radio-electric link, they will be subject to the Digital Argentina Act pursuant to Section 7 of the Emergency Decree, which amends, among others, Section 10 of Law No. 27,078;

ii) The limit of 10 licenses for radio-electric link subscription television services and 24 licenses for physical link subscription television services, which are considered to be TIC services as from January 4, 2016, date on which the Emergency Decree became effective; and

iii) The limit that provided that broadcast television services may not reach more than 35% of the total national population and the limit that provided that physical link and radio-electric link subscription television services may not reach more than 35% of all subscribers.

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

- i) These services no longer fall within the scope of Section 45 of the LSCA, which sets forth the new multiple license regime for Audiovisual Communication Services;
- ii) The registration of physical link subscription television services is no longer limited to a specific territorial area. The same is not the case with radio-electric link subscription television services because of the portion of the spectrum allocated to render these services;
- iii) Both registrations, for physical link subscription television services and for radio-electric link subscription television services, are no longer subject to expiration terms. However, the portions of the spectrum allocated to render radio-electric link subscription television services do have expiration terms. In this sense, the last subsection of Section 7 of the Emergency Decree, which amends Section 10 of Law No. 27,078 provides that “the term for the use of radio electric spectrum frequencies by the holders of subscription television licenses allocated under Laws Nos. 22,285 and 26,522 shall be the one established in their original title or TEN (10) years counted as from January 1, 2016, whichever is longer in the case of licensees that had an effective license as of this date”.

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

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

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

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

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

As of the date of these financial statements, the Bicameral Standing Committee has reviewed and declared the validity of the Decree and submitted its opinion to the plenary session of each Chamber of Congress for its expedited treatment. Both chambers shall render a decision on the approval or rejection of the Emergency Decree. Pursuant to Section 17 of Law No. 26,122, the Decree has full force and effect until a decision has been rendered by both chambers. This Emergency Decree may only be repealed through the express rejection by both chambers of the Congress, without prejudice to the rights acquired during its effectiveness.

To date there are no judicial claims regarding the constitutionality of the Emergency Decree to which any of the companies of Grupo Clarín is a party.

#### **9.4. Matters related to the regulatory situation of the Company and certain subsidiaries.**

##### **9.4.1. Proposal to conform to the provisions of Law No. 26,522.**

On October 31, 2013, even before the deadline to enforce the decision rendered by the Supreme Court of Argentina in re “Grupo Clarín S.A. and Others v. National Executive Branch and other re: Merely Declarative Action” (File 119/10), the Company and some of its subsidiaries were again served with AFSCA Resolution No. 2276/2012 issued by the president of AFSCA on December 17, 2012 within the framework of File No. 1395-AFSCA/2012. Resolution No. 2276/2012 ordered an ex officio proceeding to conform the Company and some of its subsidiaries to the provisions of the Audiovisual Communication Services Law. The Company and its legal advisors believe that this resolution is absolutely null and void and have filed an appeal to have it revoked.

Faced with the de-facto proceedings that sought to dispossess the Company of its licenses and assets through an ex officio procedure, on November 4, 2013 the Company submitted to AFSCA and to the Supreme Court of Argentina a voluntary proposal to conform to the Audiovisual Communication Services Law pursuant to section 161 of the LSCA, approved by Grupo Clarín’s Board of Directors on November 3, 2013, in an attempt to avoid the forced divestiture of its assets by AFSCA.

In connection with the voluntary proposal, AFSCA issued Resolution No. 1471/2013 whereby it suspended the Ex Officio Transfer

Procedure commenced through AFSCA Resolution No. 2276/2012 and stated that it would refrain from pursuing any administrative proceedings in that regard.

The voluntary conforming proposal -which did not interrupt any of the judicial actions that were being brought by the Company to defend its rights- was submitted with a request that the decision rendered by the Supreme Court of Argentina be complied with in full. That is, requesting the involvement of an independent, unbiased enforcement authority with technical expertise, which could ensure a transparent and egalitarian treatment in the enforcement of the law.

The voluntary proposal that was presented by the Company is summarized as follows: The assets of the Company and its group of companies governed by Law No. 26,522 would be divided into six units of audiovisual communication services. Each of the units of audiovisual communication services would have no corporate relationship with the others. This way, each unit would conform individually to the provisions of Sections 45 and 46 of the LSCA and its implementing regulations, and would be divided according to the following detail: (i) Unit I: composed by (a) ARTEAR, owner of the signal of Canal 13 of Buenos Aires and the news signal TN (Todo Noticias). ARTEAR would also maintain its interest in (i) Telecor, holder of the license of Canal 12 of Córdoba and (ii) Bariloche TV, holder of the license of Canal 6 of Bariloche. (b) Radio Mitre, which would maintain the frequencies AM 790 and FM 100 in Buenos Aires, AM 810 and FM 102.9 in Córdoba, and FM 100.3 in Mendoza; and (c) certain assets, liabilities, rights and obligations that were to be spun off from Cablevisión (“Cablevisión Spinoff 1”), which would include 24 local licenses for physical link subscription television services in cities where there was no incompatibility with broadcast TV, and 2 licenses for radio-electric link subscription television services. (ii) Unit II: composed by the surviving Cablevisión, which would continue to carry out the business activities and operations of Cablevisión with all the assets, liabilities, rights and obligations that are not spun off from Cablevisión. It would include 24 licenses for physical link subscription television services and 10 licenses for radio-electric link subscription television services, including the signal Metro, which was also the local signal of the license

exploited in the City of Buenos Aires. (iii) Unit III: composed by Cablevisión Spinoff 2, which would include assets, rights and obligations that were to be spun off from Cablevisión, including 22 licenses for physical link subscription television services and 10 licenses for radio-electric link subscription television services. (iv) Unit IV: (a) composed by IESA, owner of the signals TyC Sports and TyC Max; (b) the signals El 13 Satelital, Magazine, Volver, Quiero Música en mi Idioma and (c) an equity interest in Canal Rural S.A., owner of the signal Canal Rural. (v) Unit V: to be owned by one or more individuals or legal entities that would not maintain a corporate relationship with Radio Mitre, its controlling companies, subsidiaries and/or controlled companies in order not to infringe the then current multiple license regime, and which would own: (a) one sound frequency modulation broadcasting service for the City of San Miguel de Tucumán-FM 99.5, (b) one sound frequency modulation broadcasting service for the City of San Carlos de Bariloche-FM 92.1, (c) one sound frequency modulation broadcasting service for the City of Santa Fe-FM 99.3, (d) one sound frequency modulation broadcasting service for the City of Bahía Blanca-FM 96.5 and (e) one sound frequency modulation broadcasting service for the City of San Carlos de Bariloche -FM 103.1, owned by Bariloche TV (vi) Unit VI: to be owned by one or more individuals or legal entities that would not maintain a corporate relationship with ARTEAR, its controlling companies, subsidiaries and/or controlled companies in order not to infringe the current multiple license regime, and which would hold one broadcast television license for the City of Bahía Blanca, Province of Buenos Aires-LU81 TV Canal 7-and an equity interest in Cuyo Televisión S.A., holder of one broadcast television license in Mendoza-LV83 TV Canal 9 Mendoza-. Said proposal contemplated that the Company would continue to own, directly or indirectly, only one of the audiovisual communication service Units (among those defined as Unit I and Unit II) of the six that were described above.

In order to safeguard the rights of the Company, the above-mentioned proposal contemplated the following reservations of rights: the reservation of the right to bring the judicial actions that may correspond in connection with the claim for economic damages caused to the Company and its subsidiaries as a consequence of their

adjustment to conform to the law; the reservation of the right to challenge the conformity of Sections 41, 45, 48 and 161 of Law No. 26,522 to international conventions before the Inter-American Commission on Human Rights, the Inter-American Court of Human Rights and other competent International Courts; the reservation of the right to challenge judicially the composition of AFSCA for the period during which it did not conform to the provisions of the LSCA and for not being a technical and independent agency protected against undue interferences from the State.

In order for Cablevisión to conform to the provisions of the LSCA, in consolidating the number of subscription television licenses, the Company used the coverage area extension mechanism provided by section 45 of Decree No. 1225/2010 adopting the criterion approved in the Minutes of Meeting No. 32/2012 of the Board of Directors of that agency.

The Company and its subsidiaries have always abided by the laws and respected the decisions of the judiciary: all of the judicial claims brought by them since the enactment of Law No. 26,522 had the purpose of preserving the assets of the Company and of its shareholders. The proposal submitted by the Company was the alternative that most mitigated the damages caused by having had to comply with the Supreme Court decision, taking into consideration what the Board believed arose clearly from the multiple license regime and the admissibility conditions provided by Law No. 26,522.

On February 18, 2014, the Company was served with AFSCA Resolution No. 193/2014 whereby AFSCA's Board of Directors declared that the proposal submitted by Grupo Clarín S.A., Arte Radiotelevisivo Argentino S.A., Radio Mitre S.A. and Cablevisión S.A. was formally admissible. Pursuant to the same Resolution, AFSCA provided that the term of one hundred eighty (180) calendar days set forth under Section 8 of the Rules for the Management and Procedures Relating to Voluntary Proposals established by Resolution No. 2,205/AFSCA/12 would be counted as from the moment the parties were served notice of this Resolution. On that same date, the Company's Board of Directors took notice of AFSCA Resolution No. 193/2014.



In the recitals of AFSCA Resolution No. 193/2014, which declared that the submitted proposal was formally admissible, AFSCA stated that the withdrawal of claims made under File No. 21,788/08, as well as those made under the proposal submitted by Cablevisión, were embedded in the process provided under Section 161 of Law No. 26,522. Accordingly, they were deemed to be approved within the framework of the proposal that was declared formally admissible.

On May 13, 2014, the Company's Board of Directors approved the spinoff of the Company under the terms described in the spinoff prospectus. The spinoff was one of the alternatives that the Company was forced to analyze and project to eventually submit to its shareholders for the purpose of complying with the Proposal considered by the shareholders at the Shareholders' Meeting of Grupo Clarín S.A. held on March 20, 2014, and declared formally admissible by AFSCA on February 18, 2014. The spinoff was subject to the Prior Regulatory Authorizations, as defined in the above-mentioned prospectus.

The main premises of the spinoff financial statements prepared by the Company in accordance with the spinoff described in the Proposal were the following: (A) Grupo Clarín S.A. would be the surviving company and, as such, it would retain all the assets, liabilities, equity, rights and obligations that were not allocated to other units; Grupo Clarín would continue to make public offering of its shares although as a result of the spinoff it would reduce its capital stock to reflect the equity impact of the spun-off assets, liabilities and equity. This would not entail any changes in terms of pro rata interest for any of the holders of the shares traded on stock exchanges. Grupo Clarín would retain its interest in the Business Units that are outside the scope of the Audiovisual Communication Services Law; (B) Unit II would receive, as a result of the spinoff of Grupo Clarín S.A., the assets identified to that effect in the Proposal (in summary, an indirect interest in Cablevisión S.A. with all the assets, liabilities, rights and obligations that are not spun off from that company). It would request authorization to be admitted to the public offering regime and authorization for the trading of the shares that would be received by the current holders of shares issued by Grupo Clarín that were traded on stock exchanges; (C)

once (i) the Company had obtained the Prior Regulatory Authorizations (as defined in Grupo Clarín S.A.'s spinoff prospectus), (ii) the spinoff had been registered, (iii) the Spun-off Company had been registered with the IGJ and, (iv) the spun-off company had been admitted to the public offering regime, Grupo Clarín would reduce its capital stock affecting all shareholders in each class of shares, and the spun-off company would issue in exchange a set of new shares of the same classes as those issued by Grupo Clarín according to the following "exchange ratio": 1 current share of Grupo Clarín S.A. would be equivalent to 0.3896 shares of Grupo Clarín S.A. (post spinoff), and (ii) 0.6104 new shares of the spun-off company. (D) The other Units (III, IV, V and VI) identified in the Proposal would not be spun off, but would be offered for sale to third parties by Grupo Clarín or a subsidiary that was the direct holder of the equity that made up the respective unit. As stated in the Company's spinoff prospectus, the "Spinoff Date" would be the date on which the last of the following authorizations and/or filings had been obtained and/or made (as appropriate): (i) Prior Regulatory Authorizations (as defined in the Section "Regulatory Authorizations" of the Prospectus), (ii) registration of the spinoff before the IGJ, or (iii) registration of Cablevisión Holding S.A.'s incorporation before the IGJ. Cablevisión Holding S.A. would begin to operate on its own on the first day of the month following the expiration of the 30-day term counted as from the Spinoff Date (the "Operations Transfer Date"). The Spinoff would produce accounting effects as from the Operations Transfer Date.

The Board of Directors of Cablevisión S.A. moved forward with the tasks for the implementation of the Proposal submitted by that company and decided on May 13, 2014 to approve the spinoff proposal and formally request the CNV's administrative approval of its spinoff into three different independent companies, the consequent reduction of its equity and the amendment of its bylaws. The Board of Directors of Cablevisión also approved the special spinoff balance sheet and the spinoff prospectus prepared for such purpose. The spinoff was subject to the Prior Regulatory Authorizations, as defined in the spinoff prospectus.

On May 14, 2014, the Company requested from the CNV, within the above-mentioned

scope, the administrative approval of its spinoff and submitted the spinoff prospectus, which had been approved by its Directors at the meeting held on the previous day. The Company decided to send a letter to all the shareholders who had signed the letters detailed in the Minutes of the Board of Directors' Meeting dated April 25, 2014, as well as to the holder of the Class C shares, requesting that they expressly inform the Company how they will comply fully with the Audiovisual Communication Services Law (with respect to Unit 1 and Unit 2) if the Proposal should be implemented through the spinoff described above.

On May 15, 2014, the Company's Board of Directors took notice of the letters sent by the shareholders ELHN Grupo Clarín New York Trust, HHM Grupo Clarín New York Trust, LRP Grupo Clarín New York Trust, José Antonio Aranda and Aránlú S.A. According to those letters, if the Proposal were to be implemented using the spinoff option, said shareholders would carry out the necessary transactions so that (i) the direct and indirect shareholders of Grupo Clarín S.A. (post spinoff) would be Aránlú S.A., José Antonio Aranda and LRP Grupo Clarín New York Trust, and (ii) the direct and indirect shareholders of the spun-off company, Cablevisión Holding S.A., would be HHM Grupo Clarín New York Trust and ELHN Grupo Clarín New York Trust. In their respective letters, GS Unidos LLC and its owner, Mr. Ralph H. Booth II, have stated their intention to cooperate with the Company in the implementation of the Proposal and, particularly, in the possible spinoff. To that end, if the Proposal were to be implemented using the spinoff option and subject to the approval of the regulatory authorities that might eventually correspond, Mr. Ralph H. Booth II had undertaken to reach an agreement with an unrelated third party so that they might carry out the transactions that might be necessary to cause the split of GS Unidos LLC and reach the following shareholder structure for all of the Class C shares of Grupo Clarín (post Spinoff) and of the spun-off company: (i) the holder of all of the Class C shares of Grupo Clarín (post spinoff) would be the existing company GS Unidos LLC, which by that time would be owned by an unrelated third party assignee; (ii) the holder of all of the Class C shares of Cablevisión Holding S.A., the company spun-off from Grupo Clarín S.A., would be a new limited liability company incorporated in the

United States of America, which would be owned directly or indirectly by Ralph H. Booth II.

On May 15, 2014, the Company notified AFSCA that on May 14, 2014 it had made a filing with the CNV requesting the CNV's administrative approval of the Company's spinoff process.

Also on May 15, 2014, Cablevisión made a filing before AFSCA in order to: i) prove before such Agency that on May 14, 2014 it had made a filing before the CNV requesting the administrative approval of the spinoff process required for the implementation of the Proposal; and ii) request its authorization for the amendment of the Bylaws of Cablevisión, pursuant to Section 25 of Law No. 26,522.

On May 16, 2014 and on June 15, 2014, and pursuant to Section 27 of the Audiovisual Communication Services Law, the Company made a filing before AFSCA in order to notify that agency of the new shareholder structure of (i) the Company, (ii) its controlling company, GC Dominio S.A., (iii) Cablevisión Holding S.A., the company that was to be spun off from Grupo Clarín S.A. and (iv) the controlling company of the latter, and indirect controlling company of Cablevisión, CV Dominio S.A., which would have resulted if the spinoff informed on May 15, 2014 had occurred.

On May 28, 2014, the Company made a filing before AFSCA in order to notify that agency that it had received an Irrevocable Offer from Messrs. Gerardo Martí Casadevall and Christophe DiFalco for the acquisition of a given number of shares of Cablevisión such that, upon consummation of the spin-off of Cablevisión, the offerors would be entitled to receive sixty percent (60%) of the shares that were to be issued by Cablevisión Spinoff 2 (Unit III under the Proposal).

On June 25, 2014, the Company, ARTEAR, Radio Mitre and Cablevisión received a Note from AFSCA communicating a series of considerations about: a) the administrative approval requested from the CNV of the spinoff process of the Company and Cablevisión, and b) the authorization requested for the amendment of the Bylaws of Cablevisión. In such note, AFSCA: i) informed that it had taken notice of the request for administrative approval filed with the CNV of both spinoff

processes; ii) made certain observations regarding the proposal to amend Cablevisión's Bylaws; iii) stated that it understood that Cablevisión would be liable for any and all acts and any contingency arising from those acts until the date of the approval to be granted by AFSCA for the transfers in favor of the spun-off companies and not as from the date of consummation of those transfers; iv) stated that it would review the bylaws of the spun-off companies; v) stated that it would consider the requested approval once the Company and Cablevisión had informed: v.1.) whether the shareholders had approved the proposed spinoffs and v.2.) the names of the final shareholders of those companies, as well as those of the spun-off companies. It also stated that at such time, it would also analyze the Filings made in connection with the possible composition of the proposed Audiovisual Communication Service Units; and vi) mentioned that the Company, Cablevisión and the companies to be created under the spinoff must be absolutely independent and unrelated among each other, without any common shareholders of any type.

On June 30, 2014, the Company and Cablevisión, made a filing before AFSCA in order to respond to the note dated June 25, 2014. The companies informed AFSCA that: i) Cablevisión would comply with the observations made on some of the proposed changes to its bylaws, and that it would reformulate the proposed bylaws subject to the approval of the shareholders; ii) once approved by the shareholders of Cablevisión, it would file the proposed bylaws for each of the companies that was to be spun off from Cablevisión, which had to be necessarily identical to Cablevisión's own bylaws, iii) once the companies that were to be spun off, which would have new shareholders subject to AFSCA's prior approval, as appropriate, had been registered, Cablevisión could not continue to be held liable for the acts of the spun off companies and/or related contingencies, because Cablevisión had undertaken before AFSCA to comply with the requirement of absolute independence among Cablevisión and the spun-off companies; iv) the Company and Cablevisión had undertaken to inform within the shortest possible time the decisions rendered by their shareholders at Shareholders' Meetings; and v) compliance with approval conditions to be met by the Company had been acknowledged by that Agency. The Company

and Cablevisión reaffirmed their commitment under the Proposal in connection with the independence between the Company and its spun-off company and among Cablevisión and its spun-off companies, except with respect to the Company's minority holders of Class B shares that are listed and traded on the Buenos Aires Stock Exchange (BCBA, for its Spanish acronym) and on the London Stock Exchange (LSE) in the understanding that the shares that trade freely on stock exchanges were outside the scope of the restrictions that had been imposed under the new legal framework.

Once the Proposal was declared formally admissible by AFSCA, which occurred on February 18, 2014, its implementation required the intervention of other governmental and oversight agencies and the approval of the shareholders at the respective Shareholders' Meetings in order to carry out the reorganization and the transfer of licenses, assets, liabilities and operations to third parties, which should then receive final approval from AFSCA by means of an act that declared that the process had been duly completed.

For that reason, the Company made various filings before the different entities/governmental agencies that had to intervene in the implementation of the proposal, according to the following detail:

- Ministry of Economy;
- Secretariat of Trade;
- Comisión Nacional de Defensa de la Competencia (National Antitrust Commission);
- Argentine Securities Commission;
- Argentine Secretariat of Communications;
- Before AFSCA, informing the above-mentioned filings.

The Company made new filings requesting AFSCA to grant service authorization for subscription television services that, as a result of the reorganization, would not change their conformation.

Within the framework of the process to conform the Company to the Audiovisual Communication Services Law, the Company also requested that agency to grant service authorization and the extension of the licenses held by Radio Mitre S.A. corresponding to: AM Córdoba, FM Mendoza, FM Tucumán, and FM Santa Fe.

Cablevisión made filings before AFSCA in which it reserved its rights and made statements in connection with the interpretation of certain recitals of Resolution No. 193/AFSCA/2014 regarding the decisions rendered on:

- The radio-electric link subscription television services that would be discontinued as a result of the reorganization;
- The portion of radio-electric spectrum that would be accumulated provisionally to the radio-electric services selected in certain locations.
- The statement about the maintenance of the registration of the signal METRO by Cablevisión S.A.
- Rectification of the proposal originally submitted regarding the services that would be rendered in Necochea, La Dulce, Lobería, Monte de los Gauchos, Godoy and Rawson, in Cablevisión S.A.

Pursuant to Note No. 263/AFSCA/DGAJyR/SGAJ/2014, AFSCA informed Cablevisión that AFSCA's Board had approved the amendments proposed by that company to the Proposal with respect to Necochea, La Dulce, Lobería, Monte de los Gauchos, Godoy and Rawson.

The Company obtained from the subsidiaries of Cablevisión S.A. a confirmation of the proposal filed by Cablevisión, and provided evidence of such circumstance to AFSCA pursuant to AFSCA Resolution No. 193/2014. The confirmations that were filed corresponded to the following companies:

- Tres Arroyos Televisora Color S.A.;
- Indio Rico Cable Color S.A.;
- Copetonas Video Cable S.A.;
- Cable Video Sur S.A. (under reorganization);
- Dorrego Televisión S.A.;
- Wolves Televisión S.A.

The proposal submitted by Cablevisión was approved by La Capital Cable S.A. and Otamendi Cable Color S.A. No filing was made in connection with these approvals before AFSCA. Cablevisión carried out all necessary proceedings in order to obtain the approval of the Proposal from Teledifusora San Miguel Arcángel S.A. and Ver TV S.A.

On June 30, 2014, the shareholders of Cablevisión approved that company's partial spinoff under the terms described in the spinoff

prospectus submitted by Cablevisión before the CNV in compliance with applicable legislation for (i) the creation with a portion of the equity subject to the spinoff, of two companies whose corporate names would be Compañía Argentina de Cable S.A. and Compañía Inversora de Redes S.A.; (ii) the merger of a portion of the spun-off equity with La Capital Cable S.A. and (iii) the merger of a portion of the spun-off equity with Tres Arroyos Televisora Color S.A.

On June 30, 2014 the Company's shareholders at the General Extraordinary Shareholders' Meeting approved (i) the partial spinoff of Grupo Clarín, (ii) the creation of a new sociedad anónima (corporation) with the assets that were to be spun off, under the name CABLEVISION HOLDING S.A., (iii) the reduction of the Company's capital stock as a consequence of the approved partial spinoff, (iv) the reduction in the amount of the capital stock that is authorized for public offering and listing on the Buenos Aires Stock Exchange and the London Stock Exchange, (v) the amendment of Articles 4, 5, 16, 21 and 24 of the Company's Bylaws under the terms established in the spinoff prospectus, (vi) the deletion of Article 27 of the Company's current Bylaws, and (vii) the performance of the Task Force Created to Implement the Proposal as from the Extraordinary Shareholders' Meeting held on March 20, 2014 and up to that date, and granted such Task Force the broadest powers to consider, manage and submit to competent authorities all the required authorizations for the implementation of the Proposal.

The Company published the corresponding spinoff notices pursuant to Section 88 of the Argentine General Associations Law. Two objections were filed against the spinoff, which were duly dismissed. Notwithstanding the foregoing, the Company did not issue the public deeds relating to the spinoff and creation of the spun-off companies because the prior regulatory authorizations had not been granted as provided under its spinoff prospectus.

In addition, at the above-mentioned General Extraordinary Shareholders' Meeting of June 30, 2014, the Shareholders approved (i) the irrevocable offer received for the acquisition of Unit III under the Proposal, (ii) the irrevocable offers received for the acquisition of the assets that made up Unit V under the Proposal, (iii) the irrevocable offer for the acquisition of the

shares of Telba, and (iv) the motion to adjourn the meeting until July 11, 2014 so that the Company might make a filing requesting AFSCA to ratify the existence of certain precedents decided by AFSCA in other companies' procedures to conform to the Audiovisual Communication Services Law, in connection with the limitations applicable to the ownership of registered cable television signals and, if any such precedents existed, that AFSCA consider the proposal submitted by the Company as if it had been reformulated. The Company would then submit the matter to the shareholders so that, with AFSCA's answer, they might consider the irrevocable offers received for the sale of shares and/or assets that made up Unit IV under the Proposal, and the irrevocable offer for the acquisition of the shares of Cuyo Televisión S.A., if any shall exist as of the date on which the shareholders' meeting was scheduled to resume.

The main terms and conditions of the offers approved by the shareholders at the Extraordinary Shareholders' Meeting held on June 30, 2014 were the following:

- The irrevocable offer received for the acquisition of Unit III under the Proposal. The irrevocable offer approved by the shareholders for the acquisition of Unit III under the Proposal had been made by Messrs. Gerardo Martí Casadevall and Christophe DiFalco (the Investors). The offer contemplated the acquisition, on the Closing Date, defined as the date that occurred 10 business days immediately after the date on which all of the conditions precedent had been fulfilled and until December 31, 2014 unless such deadline should be extended by both investors and/or by Grupo Clarín and Fintech until no later than December 31, 2014, from one or more companies controlled by the Company, of a given number of shares of Cablevisión S.A. such that, upon consummation of the spin-off of Cablevisión S.A., the Investors would be entitled to receive 60% of the shares to be issued by Cablevisión Spinoff 2. The Offer was subject to the condition that it also include minority equity interests in La Capital Cable S.A., Tres Arroyos Televisora Color S.A., Teledifusora San Miguel Arcángel S.A. and AVC Continente Audiovisual S.A., and Televisora Privada del Oeste S.A. Simultaneously with this Irrevocable Offer, the Investors had sent Fintech Advisory Inc. an irrevocable offer in

substantially similar terms, for the Investors to acquire all of the capital stock of a new limited liability company to be incorporated in the State of Delaware, United States of America, that would own approximately 40% of the shares that were to be issued by Cablevisión Spinoff 2. The implementation and effective closing of the transaction described under the Irrevocable Offer -including the payment of the offered price and the transfer of the shares of Cablevisión S.A. to the Investors- was subject to the following Conditions Precedent set forth under the Offer, including the final approval to be granted by AFSCA. The purchase price established in the Irrevocable Offer was of a) USD 28,200,000, for the 60% participation owned by the Company. The price would be paid as follows: a) USD 8,460,000 on the Closing Date, in United States Dollars, and b) the balance would be paid by means of a promissory note to be issued by the Investors and to be delivered on the Closing Date for USD 19,740,000 under the terms described in Exhibit III to the Offer. The conditions that had been negotiated included: A purchase option, transferrable to third parties, over the assets sold for a term of 7 years, a percentage of the sale price upon the occurrence of any liquidity event, also in favor of the seller, and a transferrable right of first refusal, which would allow the Company to match any offer that the purchasers might receive in the future - conditions that would allow the current shareholders to recover a portion of the future value.

- The irrevocable offers received for the acquisition of the assets that made up Unit V under the Proposal. The main terms of the offers received by Radio Mitre S.A. were the following: (A) Firm and Irrevocable Offer for the acquisition of the Sound Frequency Modulation Broadcasting Service in San Miguel de Tucumán: The offer letter was sent by Mr. Facundo Soler Valls for the acquisition of the sound frequency modulation broadcasting service in the frequency 99.5 Mhz, Channel 258, Category "C" of the City of San Miguel de Tucumán, Province of Tucumán, awarded in favor of RMSA under Resolution No. 1,325-CFR/99 (the "Tucumán Broadcasting Service"). The assignment, sale and transfer of the Tucumán Broadcasting Service would be subject (condition precedent) to the fulfillment on or before December 31, 2014 -or upon expiration of any extension of this term- of all of the

conditions precedent contained in the offer, among others, that AFSCA and the other oversight agencies that might correspond approve the assignment, sale and transfer of the Tucumán Broadcasting Service, including but not limited to the approval of the admissibility conditions of the Offerors required by the Audiovisual Communication Services Law to be a licensee of the audiovisual communication service that was the subject matter of the Offer. The Price offered for the Assignment of the Tucumán Broadcasting Service was of Ps. 1,000,000 (One Million Pesos), payable as follows: (i) Ps. 100,000 (One Hundred Thousand Pesos) as Advance Payment, within 5 (five) business days after receipt by the Offeror of the notice of pre-acceptance of the Offer; (ii) Ps. 75,000 (Seventy Five Thousand Pesos) on the Closing date, and (iii) the balance of Ps. 825,000 (Eight Hundred Twenty Five Thousand Pesos) shall be payable with 11 (eleven) equal, monthly and consecutive checks. On June 30, 2014, Radio Mitre sent to the Offeror the notice of pre-acceptance of the Offer. Finally, on July 1, 2014 Radio Mitre S.A. notified the Offeror of the acceptance of the Offer, stating that even though its acceptance of the Offer was binding both on Radio Mitre and the Offeror, its execution was subject to the effective occurrence of the conditions precedent indicated in the Offer. (B) Firm and Irrevocable Offer for the acquisition of the Sound Frequency Modulation Broadcasting Service in Santa Fe: Its main terms and conditions were the following: (I) Offeror: PRENSA Y MEDIOS SANTAFESINOS DEL SUR S.A. The assignment, sale and transfer of the Santa Fe Broadcasting Service would be subject (condition precedent) to the fulfillment on or before December 31, 2014 -or upon expiration of any extension of this term- of all of the conditions precedent contained in the offer, among others, that AFSCA and the other oversight agencies that might correspond approve the assignment, sale and transfer of the Santa Fe Broadcasting Service, including but not limited to the approval of the admissibility conditions of the Offerors required by the Audiovisual Communication Services Law to be a licensee of the audiovisual communication service that was the subject matter of the Offer. The Price offered for the Assignment of the Santa Fe Broadcasting Service was of USD 150,000 (One Hundred Fifty Thousand US Dollars), payable as follows: (i) USD37,500 (Thirty Seven Thousand Five Hundred US

Dollars) as Advance Payment, within 5 (five) business days after receipt by the Offeror of notice of pre-acceptance of the Offer, and (ii) the balance of USD112,500 (One Hundred Twelve Thousand Five Hundred US Dollars) on the Closing date. On June 30, 2014, Radio Mitre sent to the Offeror the notice of pre-acceptance of the Offer. Finally, on July 1, 2014 Radio Mitre S.A. notified the Offeror of the acceptance of the Offer, stating that even though its acceptance of the Offer was binding both on Radio Mitre and the Offeror, its execution was subject to the effective occurrence of the conditions precedent indicated in the Offer. (C) Firm and Irrevocable Offer for the acquisition of the Sound Frequency Modulation Broadcasting Service in San Carlos de Bariloche; the main terms and conditions were the following: (I) the offer letter was sent by SALTAVIOLETA S.R.L. The assignment, sale and transfer of the Bariloche Broadcasting Service would be subject to the fulfillment on or before December 31, 2014 -or upon expiration of any extension of this term- of all of the conditions precedent contained in the offer, among them, that AFSCA and the other oversight agencies that might correspond, approve the assignment, sale and transfer of the Bariloche Broadcasting Service, including but not limited to the approval of the admissibility conditions of the Offerors required by the Audiovisual Communication Services Law to be a licensee of the audiovisual communication service that was the subject matter of the Offer. The Price offered for the Assignment of the Bariloche Broadcasting Service was of USD 75,000 (Seventy Five Thousand US Dollars) (the "Price"), payable as follows: (i) USD18,750 (Eighteen Thousand Seven Hundred Fifty US Dollars) as Advance Payment, within 5 (five) business days after receipt by the Offeror of the notice of pre-acceptance of the Offer, and (ii) the balance of USD56,250 (Fifty Six Thousand Two Hundred Fifty US Dollars) on the Closing date. On June 30, 2014, Radio Mitre sent to the Offeror the notice of pre-acceptance of the Offer. Finally, on July 1, 2014 Radio Mitre S.A. notified the Offeror of the acceptance of the Offer, stating that even though its acceptance of the Offer was binding both on Radio Mitre and the Offeror, its execution was subject to the effective occurrence of the conditions precedent indicated in the Offer and (D) Firm and Irrevocable Offer for the acquisition of the Sound Frequency Modulation Broadcasting Service in Bahía Blanca. Its main terms and

conditions were the following: The offer letter was sent by Mr. Marcelo González, who made a binding, firm and irrevocable offer for the acquisition of the Sound Frequency Modulation Broadcasting Service identified with the distinctive signal “LRI436”, Category “D” to operate in the frequency 96.5 Mhz, Channel 243, in the city of Bahía Blanca, Province of Buenos Aires, the ownership of which in favor of RMSA was confirmed under Resolution No. 0741-COMFER/00. The assignment, sale and transfer of the Bahía Blanca Broadcasting Service would be subject (condition precedent) to the fulfillment on or before December 31, 2014 -or upon expiration of any extension of this term- of all of the conditions precedent contained in the offer, among them, that AFSCA and the other oversight agencies that might correspond approve the assignment, sale and transfer of the Bahía Blanca Broadcasting Service, including but not limited to the approval of the admissibility conditions of the Offerors required by the Audiovisual Communication Services Law to be a licensee of the audiovisual communication service that was the subject matter of the Offer. The Price offered for the Assignment of the Bahía Blanca Broadcasting Service was of USD 50,000 (Fifty Thousand US Dollars), payable as follows: (i) USD12,500 (Twelve Thousand Five Hundred US Dollars) as Advance Payment, within 5 (five) business days after receipt by the Offeror of the notice of pre-acceptance of the Offer, and (ii) the balance of USD37,500 (Thirty Seven Thousand Five Hundred US Dollars) on the Closing date. On June 30, 2014, Radio Mitre S.A. sent to the Offeror the notice of pre-acceptance of the Offer. Finally, on July 1, 2014 Radio Mitre S.A. notified the Offeror of the acceptance of the Offer, stating that even though its acceptance of the Offer was binding both on Radio Mitre S.A. and the Offeror, its execution was subject to the effective occurrence of the conditions precedent indicated in the Offer. With regard to the above-mentioned offers, in July 2014 the offerors paid Radio Mitre the advances that were agreed in connection with the transfers of the frequencies of San Miguel de Tucumán, Bahía Blanca and Santa Fe.

- Irrevocable Offer for the acquisition of the Sound Broadcasting Service owned by Bariloche TV. The main terms and conditions of the Offer received were the following: (I) the offer letter was sent by Mr. Francisco Alejo

Quiñonero (the “Offeror”), who made a binding, firm and irrevocable offer (the “Offer”) for the acquisition of the sound frequency modulation broadcasting service, identified with the distinctive signal LGR346. Category D, to operate in the frequency 103.1MHz, Channel 276, in the city of San Carlos de Bariloche, Province of Río Negro, awarded to Bariloche TV pursuant to Resolution 154-COMFER/2001 (the “Bariloche Broadcasting Service”). (II) The assignment, sale and transfer of the Bariloche Broadcasting Service would be subject (as condition precedent) to the fulfillment on or before December 31, 2014-or upon expiration of any extension of that term, should Bariloche TV extend it for up to 180 days-of all of the following Conditions Precedent: (i) that AFSCA and the other oversight agencies that might correspond approve the assignment, sale and transfer of the Bariloche Broadcasting Service, including but not limited to the approval of the admissibility conditions of the Offeror; and (ii) that as of the Closing Date there were no laws and/or administrative and/or court orders restraining, prohibiting, amending, altering, conditioning or rendering illegal the assignment, sale and transfer of the Bariloche Broadcasting Service under the conditions set forth in the Offer. (III) The Offer was effective from June 24, 2014 through August 20, 2014 (the “Offer Period”), notwithstanding which, if on or before that date Bariloche TV should communicate to the Offeror that the Offer had been considered admissible by the Board of Directors of Grupo Clarín S.A. and pre-accepted for the purpose of its subsequent treatment at the shareholders' meeting of Grupo Clarín S.A. that would consider and decide on the manner, form and conditions for the implementation of the Proposal (the “Pre-Acceptance”), the Offer would be automatically extended for an additional period that would expire 10 (ten) business days after the close of the above-mentioned Shareholders' Meeting of Grupo Clarín S.A. (IV) The Offer would have been deemed accepted by Bariloche TV if the shareholders of Grupo Clarín S.A., at the abovementioned shareholders' meeting, had decided within the Offer Period to accept the Offer definitively, and Bariloche TV should send the Offeror written notice stating unequivocally its intention to assign, sell and transfer to the Offeror the Bariloche Broadcasting Service under the terms and conditions of the Offer (the “Acceptance”). As

from Acceptance, this Offer would have been binding on both Bariloche TV and the Offeror and its execution would only be subject to the effective occurrence of the Conditions Precedent. At closing, the parties would execute all the final instruments required to consummate the assignment, sale and transfer of the Bariloche Broadcasting Service. (V) Within 10 (ten) days as from the Acceptance, the Offeror would undertake to create a company for the purpose of acquiring the Bariloche Broadcasting Service. (VI) If the Offer should be accepted as of the Closing Date, Bariloche TV and the Offeror would perform the acts required to execute a firm agreement on the assignment, sale and transfer of the Bariloche Broadcasting Service in favor of the Offeror in accordance with the terms and conditions of the Offer (the "Assignment"). (VII) The Price offered for the Assignment of the Bariloche Broadcasting Service was of Ps. 450,000 (Four Hundred Fifty Thousand Pesos) (the "Price"), payable as follows: (i) Ps. 149,985 (One Hundred Forty Nine Thousand Nine Hundred Eighty Five Pesos) as initial price, on the Closing date, and (ii) Ps. 300,015 (Three Hundred Thousand Fifteen Pesos), which would be converted into US Dollars at the official offer exchange rate quoted by Banco Nación on the day immediately preceding the Closing date (the "Price Balance"), and would be paid in 2 (two) equal installments of Ps. 115,007.50 each -with no interest- which would be payable upon 12 (twelve) and 18 (eighteen) months as from Closing date. The Offeror might cancel such installments in Pesos, at the official offer exchange rate quoted by Banco Nación on the day immediately preceding the payment date. The Price Balance would be guaranteed by the Offeror by the issuance and delivery to Bariloche TV, on the Closing date, of 2 (two) promissory notes. (VIII) The Offer set as closing date the tenth business day as from the fulfillment of the last of all Conditions Precedent (the "Closing"), at the time and place that Bariloche TV would notify the Offeror in writing, to carry out the acts necessary to execute the Assignment of the Bariloche Broadcasting Service. (IX) The Assignment of the Bariloche Broadcasting Service would be executed in the economic, financial, equity, tax, legal and regulatory conditions in which such service was at Closing Date. (X) The Offeror undertook to carry out at its own risk, within applicable terms, all the notices and/or filings with the authorities or governmental agencies

that might be necessary (especially with AFSCA) on account of or in connection with the Offer. On July 1, 2014, Bariloche TV notified Mr. Francisco Alejo Quiñonero of the acceptance of the Offer, stating that as from the Acceptance, the Offer was binding both on the company and the Offeror, and its execution was only subject to the effective occurrence of the conditions precedent indicated in the Offer. The parties would, at Closing, execute all the final instruments required to consummate the assignment, sale and transfer of the sound broadcasting service subject matter of the Offer.

- The terms and conditions of the Irrevocable Offer for the acquisition of the shares of TELBA were the following: (I) the letter was sent to ARTEAR and GC Minor S.A. by Mr. Francisco Alejo Quiñonero, who made a binding, firm and irrevocable Offer to acquire the following equity interests in TELBA: (i) 156,624 registered, non endorsable, common shares with a nominal value of Ps. 0.0001 and entitled to one vote per share, representing 99.9994% of the capital stock and votes of TELBA owned by ARTEAR, and in the same proportion the political and economic rights inherent to such shares (the "ARTEAR Shares"), and (ii) 1 (one) registered, non endorsable, common share with a nominal value of Ps. 0.0001 and entitled to one vote per share, representing 0.0006% of the capital stock and votes of TELBA owned by GC Minor, and in the same proportion the political and economic rights inherent to such shares. The assignment, sale and transfer of the Shares was subject to the approval by AFSCA and by other oversight agencies that might correspond on or before December 31, 2014 of the transfer of the Shares subject matter of the Offer; and to the absence as of the Closing Date of any laws and/or administrative and/or court orders restraining, prohibiting or rendering illegal the transfer of the Shares under the conditions set forth under the Offer (the "Conditions Precedent"). On July 1, 2014, ARTEAR and GC Minor notified Mr. Francisco Alejo Quiñonero of the acceptance of the Offer, stating that as from the Acceptance, the Offer was binding on ARTEAR, GC Minor and the Offeror, and its execution was only subject to the effective occurrence of the conditions precedent indicated in the Offer. The parties would, at Closing, execute all the final instruments required to consummate the assignment, sale and transfer of the Shares of TELBA. The Price offered for the Purchase of



the Shares of TELBA was of Ps. 5,000,000 (Five Million Pesos) (the "Price"), payable as follows: (i) Ps. 1,666,500 (One Million Six Hundred Sixty Six Thousand Five Hundred Pesos), at Closing; and (ii) the balance of Ps. 3,333,500 (Three Million Three Hundred Thirty Three Thousand Five Hundred Pesos) would be converted into US Dollars at the official offer exchange rate quoted by Banco de la Nación Argentina on the Closing date (the "Purchase Price Balance"), and would be settled as follows: (i) 50% (fifty per cent) of the Purchase Price Balance would be settled upon 12 (twelve) months as from Closing date, and (ii) the remaining 50% (fifty per cent) of the Purchase Price Balance would be settled upon 18 (eighteen) months as from Closing date. Although the Purchase Price Balance had been agreed in US Dollars, the Offeror might settle the Purchase Price Balance in pesos, or any currency that might replace the Argentine peso, at the official offer exchange quoted by Banco de la Nación Argentina. The Purchase Price Balance would be guaranteed by the Offeror by the issuance and delivery to ARTEAR and GC Minor, on the Closing date, of 2 (two) promissory notes. The Purchase of the Shares of TELBA would be executed in the economic, financial, equity, tax, legal and regulatory conditions in which such shares and TELBA were at Closing. Additionally, the Purchase would be, with respect to ARTEAR and GC Minor, free and clear of any responsibility arising from the existence of any liabilities arising prior to the Closing date and not disclosed in the Financial Statements of TELBA. Also, at Closing, the Offeror would grant ARTEAR and GC Minor and/or a designee of ARTEAR and GC Minor, irrevocably and firmly: the exclusive, firm and irrevocable right, but not the obligation, to opt for the purchase of the Shares of TELBA (the "Right of Option"); and the right of first refusal to acquire, exclusively and with priority the Shares of TELBA with respect to any third party (the "Right of First Refusal"), subject to the terms and conditions established in the Offer.

As decided by the shareholders, on July 1, 2014 (Filing No. 13,291-AFSCA/14), the Company appeared before AFSCA and requested that agency to ratify that the limitations under Subsection 3 of Section 45 applied only to audiovisual communication service licensees that were holders of the registered title of cable television signals and not to its shareholders

and/or holders of the registered title of cable television signals (when the latter are not licensees). The Company also stated that if that agency were to confirm the Company's interpretation, then the Proposal should be deemed reformulated and/or partially amended based on any such precedents and on the principle of equality, taking into account the reservation of rights under the Company's Proposal.

On July 10, 2014, AFSCA served the Company and ARTEAR with Notice 130 AFSCA/14 whereby, in response to the note submitted by both companies on July 1, 2014, that agency stated that in the opinion of AFSCA's Permanent Legal Service, the request made by both companies entailed a material amendment of the Proposal, and therefore AFSCA rejected the requested reformulation and/or amendment of the Proposal because it considered that the procedural stage for such amendments had concluded. That agency also stated, *prima facie*, that the precedents mentioned by both companies regarding the signals were not applicable to the case under review.

On July 11, 2014, when the shareholders of the Company resumed the Shareholders' Meeting that had been adjourned on June 30, 2014, the shareholders approved (i) the firm and irrevocable Alternative Offer of 34 South Media LLC for Unit IV under the Proposal, which was considered by the Company's Board of Directors on the same date, and instructed the Board of Directors, in light of the response received from AFSCA, to carry out all the necessary steps to comply with the Proposal and to bring the administrative and legal actions required to best safeguard the interests of the Company and (ii) the Irrevocable Offer for the acquisition of the shares of Cuyo Televisión S.A. (which make up Unit VI under the Proposal) owned by Diario Los Andes Hermanos Calle S.A., which had been considered by the Company's Board of Directors on the same date.

The main terms and conditions of the offers approved by the shareholders at the meeting held on July 11, 2014 to resume the Extraordinary Shareholders' Meeting that had been adjourned until that date on June 30, 2014 were the following:

- The terms and conditions of the firm and irrevocable Alternative Offer of 34 South Media

LLC for Unit IV under the Proposal approved by the shareholders were the following: The offer consisted in the transfer of ownership of the assets that make up Unit IV under the Proposal to a trust in which Grupo Clarín S.A. and GC Minor S.A. would be the Settlers, by contributing all the shares issued by Inversora de Eventos S.A. representing 100% of the capital stock and votes of that company, together with the political and economic rights inherent to such shares, once IESA has exercised its call options on the signals and the shares representing 24.999613% of the capital stock and votes of Canal Rural Satelital S.A, currently owned by ARTEAR. The trust would be managed by an independent trustee, which would be appointed by Grupo Clarín S.A., GC Minor S.A. and 34 South Media LLC by mutual agreement. The trustee would carry out its duties based on management and administration rules or a manual to be defined by mutual agreement among Grupo Clarín S.A., GC Minor S.A. and 34 South Media LLC at the creation of the Trust. The main purpose of the trust would be to preserve the value of the assets held in trust in case the Company decided to bring legal actions to safeguard its rights. The beneficiaries of the trust would be Grupo Clarín S.A., GC Minor S.A. or 34 South Media LLC, to which the trustee would transfer as appropriate the ownership of the property held in trust. The trustee would transfer all the Shares of IESA applying the following criteria: 1st) in favor of 34 South Media LLC if Grupo Clarín S.A. should be forced to divest of Unit IV, within 10 days as from the fulfillment of the Conditions Precedent (as defined below) or the setting of the Price, whichever occurs last (the "Closing"), or 2nd) in favor of Grupo Clarín S.A. and GC Minor S.A. if Grupo Clarín S.A. should not be forced to divest of Unit IV, within 10 days as from the final decision rendered in any actions brought by the Company. Prior to Closing, the parties would set the price that the offerors would pay to the assignors for the Shares of IESA according to the following procedure: The offerors would offer the assignors an aggregate price for the Shares of IESA (hereinafter, the "Offered Price"). If the assignors did not accept the Offered Price, they might entrust Banco Santander or Banco Itaú, at the sole discretion of the assignors, with the valuation of the Shares of IESA, or they may appoint any other appraiser by mutual agreement among the parties at the request of the assignors. The

appraiser would carry out its duty within thirty calendar days as from its designation and would notify by certifiable means the result of the valuation to all the parties involved. The valuation method would be determined by the designated appraiser. Once the parties had been notified by certifiable means of the price resulting from the valuation under the stipulated procedure (hereinafter, the "Appraised Price"), the following procedure would be followed: 1) If the Offered Price had been lower than the Appraised Price, the offerors would have acquired the Shares of IESA at the Offered Price +  $[(\text{Appraised Price} - \text{Offered Price}) / 2]$ . 2) If the Offered Price had been higher than the Appraised Price, the Price to be paid by the offerors to the assignors for the Shares of IESA would have been: Appraised Price +  $[(\text{Offered Price} - \text{Appraised Price}) / 2]$ . The costs and expenses incurred as a result of the valuation stipulated in that clause would be exclusively and equally borne by the assignors and the offerors. After the final Sale Price had been agreed upon or set, the transaction would have been implemented at Closing, which would have taken place on the date and at the place indicated by the assignors. The price would be paid as follows: 30% at Closing and the balance in three equal, annual and consecutive installments counted as from Closing. The fulfillment of the obligations undertaken by the parties at Closing, including the payment of the Price by the offerors to the assignors and the transfer of the Shares of IESA by the trust to the offerors, would be subject to the fulfillment of all of the following conditions (individually and collectively, hereinafter the "Conditions Precedent"): 1) That -where necessary- AFSCA and other oversight agencies that might correspond approve the transfer of Shares of IESA and other assets subject matter of this agreement in favor of the offerors; and 2) that there were no laws and/or administrative and/or court orders restraining, prohibiting, amending, altering, conditioning or rendering illegal the transfer of the Shares of IESA and other assets subject matter of this agreement.

- The main terms and conditions of the Irrevocable Offer for the acquisition of the shares of Cuyo Televisión S.A. (CUTESA) owned by Diario Los Andes Hermanos Calle S.A. were the following: The offer was sent by Messrs. Silvina Claudia Alonso, Mariano Germán Alonso and Gabriela Cecilia Alonso (the "Assignees") to acquire from Diario Los

Andes, all the rights and actions it has over 36,000 shares representing 9% of the capital stock and votes of CUTESA. As from the notice of acceptance of the offer, it would be binding on both Diario Los Andes and on the Assignors and its execution would only be subject to the effective occurrence of the conditions precedent mentioned in the offer. At closing, the parties would execute all the final instruments required to consummate the assignment of the rights over the shares of CUTESA. The price offered for the assignment, sale and transfer of the rights over the shares of CUTESA was Ps. 17,000,000 payable by the Assignees to Diario Los Andes as follows: Ps. 15,000,000 on the closing date, Ps. 2,000,000 equal to 6,000 seconds of prime time advertising in CUTESA provided that such advertising seconds might be used by Diario Los Andes or the members of the same economic group within 5 years as from Closing. Notwithstanding the foregoing, the Assignees would pay to Diario Los Andes an additional Ps. 5,000,000 (the "Contingent Price Balance"), subject to the condition precedent that upon the expiration of the current term of the license - which would have expired on November 24, 2017-, CUTESA be legally authorized to continue exploiting the television broadcast service in the City of Mendoza on account of an extension or renewal of the license under any title or cause, or that CUTESA continue to exploit the service, in which case the Assignees shall pay to Diario Los Andes the Contingent Price Balance under the conditions mentioned in the Offer. If exploitation of the service was maintained during only part of a given period, the Assignees would have had to pay to Diario Los Andes the Contingent Price Balance pro rata, based on the duration of the service. In order to guarantee the payment of the price (and if applicable the Contingent Price Balance) to Diario Los Andes, the Assignees would be jointly and severally liable for, and would be unrestricted guarantors of all the obligations undertaken by the Assignees with respect to the payment of the price balance. The profits generated by CUTESA during the years 2013 and 2014 (in this case on a pro rata basis until the closing date) would be approved by the Assignees as dividends in favor of Diario Los Andes within the legal terms and payable by CUTESA to Diario Los Andes within ten working days as from their approval.

On July 22, 2014, the Company and ARTEAR made a filing with AFSCA in order to request that agency to disregard the erroneous

considerations contained in Opinion No. 001028-AFSCA/DGAJ and dismiss all the decisions rendered by the areas of AFSCA stated in Minutes No. 51 of AFSCA, which were served on the Company and ARTEAR on July 11, 2014, and to consider the Proposal reformulated and/or amended under the terms indicated by the Company and ARTEAR in their note dated July 1, 2014 (Proceeding No. 13291-AFSCA/14).

On July 24, 2014, Grupo Clarín S.A. made a filing before AFSCA in order to notify that agency that the shareholders of the Company, in connection with the implementation of the Proposal that was declared formally admissible pursuant to Resolution No. 193/AFSCA/2014, had approved: i) the proposal for the partial spinoff of Grupo Clarín S.A. and the consequent creation of a new company; ii) the irrevocable offer received by Grupo Clarín S.A. for the acquisition of a given number of shares of Cablevisión such that its acquirer will become holder of Cablevisión Spinoff 2, i.e. Unit III under the Proposal; iii) the transfer of the assets owned by ARTEAR allocated to Unit IV in favor of IESA and the irrevocable offer to transfer the equity interests owned by Grupo Clarín S.A. and GC Minor S.A. in IESA in favor of a trust to be created; iv) the irrevocable offers received by Radio Mitre S.A. for the sale of the assets that make up Unit V; and v) the irrevocable offers received by ARTEAR and Diario Los Andes Hermanos Calle S.A. for the sale of the assets that make up Unit VI.

Also on July 24, 2014, Cablevisión made a filing with AFSCA in order to notify that agency that on June 30, 2014, the shareholders of Cablevisión, at that Company's Extraordinary Shareholders' Meeting, had unanimously approved: i) the proposal for the partial spinoff of that company that had been duly informed to AFSCA; ii) the partial amendment of Cablevisión's bylaws, which contemplated the observations made by AFSCA; iii) the creation of two new companies with a portion of the equity subject to the spinoff; iv) the merger of a portion of the equity subject to the spinoff with Tres Arroyos Televisora Color S.A., Indio Rico Cable Color S.A., Copetonas Video Cable S.A., Dorrego Televisión S.A., Cable Video Sur S.A. (under reorganization), and v) the merger of a portion of the equity subject to the spinoff with La Capital Cable S.A. and Otamendi Cable Color S.A. In the same filing, the Company

attached the Bylaws of the companies that were to be spun off.

On July 25, 2014, the Company made a filing with AFSCA in order to notify that agency that at the Extraordinary Shareholders' Meeting held on June 30, 2014, its shareholders had approved the irrevocable offer received from Messrs. Martí Casadevall and Christophe DiFalco for the acquisition of a number of shares of Cablevisión such that, upon consummation of the spin-off of Cablevisión, the offerors would be entitled to receive sixty percent (60%) of the shares to be issued by Cablevisión Spinoff 2 (Unit III under the Proposal).

On August 11, 2014, Cablevisión requested the SECOM to register the telecommunications licenses directly or indirectly owned by Cablevisión under the name of the surviving company in accordance with the procedure to conform the Company to the Audiovisual Communication Services Law No. 26,522.

On August 13, 2014, AFSCA notified Grupo Clarín, Cablevisión, ARTEAR and Radio Mitre of Resolution No. 902/AFSCA/2014. The Resolution rejected a request for the partial amendment of the proposal filed by Grupo Clarín and ARTEAR, relating to the divestment of assets owned directly by the latter. The Resolution also compelled Grupo Clarín, ARTEAR, Radio Mitre and Cablevisión to ratify their intention to fulfill, with no changes, the Proposal that was declared formally admissible pursuant to Resolution No. 193/AFSCA/2014 in the terms in which it was admitted. That agency also stated that failure to do so would be sanctioned pursuant to Section 21 of Law No. 19,549,

On August 15, 2014, 34 South Media LLC requested Grupo Clarín and GC Minor to reconsider the Original Offer submitted on June 26, 2014, i.e. the transfer of the shares representing 100% of IESA's capital stock in favor of 34 South Media LLC, including all of the assets that made up Unit IV. 34 South Media LLC also stated that in the event of acceptance of the Original Offer, Mr. Miguel El Haiek would acquire the minority interest in IESA that might be necessary for regulatory purposes in order to comply with the requirement of a plurality of shareholders established under Law No. 19,550. Therefore, on August 15, 2014, the Board of Directors of

Grupo Clarín held a meeting to take note of Resolution No. 902/AFSCA/2014 and to consider the note sent by 34 South Media LLC, whereby the latter offered Grupo Clarín and GC Minor the possibility of reconsidering and accepting the Original Offer submitted on June 26, 2014. At such meeting of the Board of Directors, taking into consideration the evident arbitrariness with which AFSCA decided and behaved in connection with Grupo Clarín and its subsidiaries, the Board decided to accept the Original Offer submitted by 34 South Media LLC, stating its acceptance in writing in order to, in this way, transfer Unit IV under the Proposal to 34 South Media LLC.

Consequently, the Alternative Offer that had been approved by the shareholders at the Shareholders' Meeting of Grupo Clarín that had been resumed after its adjournment, was rendered without effect. At the same Meeting, the Board decided to call a new Extraordinary Shareholders' Meeting of Grupo Clarín in order for the shareholders to ratify the decision of the Board of Directors in connection with the acceptance of the original Offer. Also on August 15, 2014, the Board of Directors of GC Minor decided to approve the Original Offer submitted by 34 South Media LLC. Finally, also on August 15, 2014, Grupo Clarín and GC Minor notified 34 South Media LLC and Mr. Miguel El Haiek of the acceptance of the Original Offer, which therefore became binding on all the parties involved.

On August 15, 2014, ARTEAR and Grupo Clarín S.A. made a filing with AFSCA in order to inform and certify: (i) the acceptance of the offer for the 100% equity interest held by ARTEAR and GC Minor S.A. in Teledifusora Bahiense S.A., owner of LU 81 TV Canal 7 of Bahía Blanca. They requested AFSCA to render a preliminary decision about the admissibility conditions of the Offerors to proceed without further delay with its effective transfer, and (ii) the transfer by ARTEAR of 24.999613% of the shares of Canal Rural Satelital S.A. in favor of IESA. They also requested that agency to acknowledge the new shareholder structure of Canal Rural Satelital S.A. in conformity with Decree No. 904/2010.

On August 19, 2014, ARTEAR and Grupo Clarín S.A. made a filing with AFSCA in order to inform and certify the transfer of the signals El Trece Satelital, Volver, Quiero mi Música en mi Idioma and Magazine by ARTEAR in favor

of IESA and requested that agency to acknowledge the new ownership of those registered signals. The accepted Offer also provided for the execution of content supply agreements whereby the parties agreed on a consideration that was calculated in every case based on a percentage of the revenues generated by the commercialization of the transferred cable television signals, with an established minimum consideration.

On August 19, 2014, the Board of Directors of Cablevisión took note of Resolution No. 902/AFSCA/2014, highlighting the threat contained in that Resolution to apply the ex officio implementation of the Proposal even though the term granted by Resolution No. 193/AFSCA/2014 for its execution had not yet expired, in addition to being legally inapplicable.

On August 19, 2014, Grupo Clarín, ARTEAR, Radio Mitre and Cablevisión made a filing with AFSCA in order to inform and certify that they had duly completed all actions required of those companies and necessary to implement the Proposal in the terms in which it had been approved pursuant to Resolution No. 193/AFSCA/2014. Consequently, the Company deemed that AFSCA's inapplicable order issued pursuant to Resolution No. 902/AFSCA/2014 had been responded. In that same filing, they also requested AFSCA (i) to order and decide on the prior acts that are necessary to complete the process and that were requested in each of the filings made by the Company, including an extension of the term granted for the implementation of the Proposal for as long as it takes that Agency to analyze and instrument such prior acts, and (ii) to compel the other government agencies that must necessarily intervene in that procedure, to issue the corresponding authorizations that were required prior to its final implementation to enable the final completion of the process.

On September 2, 2014 the term for the Company's creditors to exercise their rights to object to the spinoff expired. Notwithstanding the above, as of the date of these financial statements, the Company has not yet issued the public deeds relating to the spinoff and to the creation of the spun-off companies because the prior regulatory authorizations have not been granted as provided under its spinoff prospectus.

On September 19, 2014, the Company, Cablevisión, ARTEAR and Radio Mitre were served with Note No. 640 AFSCA/DGAJyR/SGAJ/DAYT/14, which stated that the analysis of the Company's filings yielded prima facie evidence of the existence of corporate relationships between Audiovisual Communication Service Units No. 1 and No. 2 due to the fact that some of the proposed trustees were individuals who were related to each other through companies, thus verifying relationships among them that could generate undue concentration practices, which would lead to a joint management of Units No. 1 and No. 2. Therefore, AFSCA granted those companies a term of 10 (ten) days to allege and provide evidence of the factual and legal circumstances that might disprove the existence of the above-mentioned relationships, the joint management of the trusts and, therefore, the breach of the antitrust and deconcentration principles provided under Law No. 26,522.

On September 22, 2014, at the General Extraordinary Shareholders' Meeting, the shareholders of the Company decided to ratify all the decisions adopted by the Board of Directors of the Company on August 15, 2014 in connection with the acceptance of the firm and irrevocable offer to purchase the shares and signals that made up Unit IV under the Proposal received from 34 South Media LLC, and consequently, to revoke the decision approved under point 5 of the Agenda of the General Extraordinary Shareholders' Meeting held on June 30, 2014 and resumed on July 11, 2014 after its adjournment.

On October 6, 2014, the Company made a filing with AFSCA in response to the request made by that agency. The Company requested that agency to dismiss without further formalities Notes No. 640/AFSCA/DGAJyR/SGAJ/DAYT/2014 and DAEYP No. 92 for being premature and manifestly inappropriate and therefore absolutely null and void. The Company also requested that AFSCA consider the explanations provided in response to its observations and compel the other intervening authorities to carry out the necessary administrative acts to enable the final completion of the procedure to conform the Company to the Audiovisual Communication Services Law. The Company also informed that agency of the decision of the controlling shareholders to change the proposed

trustees who had been challenged by that agency, reiterating that, in the Company's understanding, the trustees proposed in the event that the spinoff of Grupo Clarín would have been finally approved and implemented, would have largely complied with the Audiovisual Communication Services Law.

On October 9, 2014, AFSCA notified the Company, ARTEAR, Radio Mitre and Cablevisión of AFSCA Resolution No. 1,121/2014 whereby it decided to (i) reject the spinoff project of the Company, the spinoff project of Cablevisión, the formation of the foreign trusts and the transfers proposed by the Company, ARTEAR, Radio Mitre and Cablevisión, (ii) initiate the Ex Officio Transfer procedure pursuant to Section 1, subsection a) of Annex I of AFSCA Resolution No. 2206/2012, (iii) compel the Company, ARTEAR, Radio Mitre and Cablevisión to expressly inform, in the form of an affidavit—attaching the corresponding supporting and evidentiary documentation—within a term of fifteen (15) days, whether all of the services and registrations detailed in the list disclosed under Annex III of Action No. 22,253 AFSCA/13 were owned and/or exploited by said companies, indicating, where appropriate, which of those services and registrations were not owned by them and/or were not exploited by them; failure to do so would be sanctioned pursuant to Section 5 of Annex I of AFSCA Resolution No. 2206/2012; (iv) compel the Company, ARTEAR, Radio Mitre and Cablevisión to expressly inform, in the form of an affidavit—attaching the supporting and evidentiary documentation—within a term of fifteen (15) days, the detail of any licenses owned or exploited by such companies that may not have been included under Annex III of Action No. 22,253-AFSCA/13; failure to do so would be sanctioned pursuant to Section 5 of Annex I of AFSCA Resolution No. 2206/2012; (v) compel the Company, ARTEAR, Radio Mitre and Cablevisión to expressly inform, in the form of an affidavit, within a term of fifteen (15) days, the assets related to each license and/or services that did not appear on the list identified as “list of assets related to the service”, also indicating whether or not the inclusion of any such assets may not be appropriate; failure to do so would be sanctioned pursuant to Section 5 of Annex I of AFSCA Resolution No. 2206/2012 and (vi) request in due time the intervention of the Court of Appraisals of Argentina, submitting to

that Agency the information related to the services, detailed registrations and the essential assets related to them, and especially the agreements and assets contributed by the Company, for the purposes provided under Section 3, Subsection c), Annex I of AFSCA Resolution No. 2206/2012.

The Company believed that AFSCA Resolution No. 1121/2014 was absolutely null and void because it had been issued in manifest and public violation of the due process of law and *inaudita parte*, without notifying the Company, ARTEAR, Cablevisión and Radio Mitre of the alleged facts and/or non-compliances that had grounded such resolution.

AFSCA sought to ground its Resolution No. 1121/2014 in two alleged failures to comply with the Proposal: i) the corporate relationship and/or joint management of the business units to be created and ii) the alleged failure to comply with the committed divestitures. The companies mentioned by AFSCA as companies whose ownership and/or management would generate, in the Enforcement Authority's judgment, corporate relationships with the companies that submitted the proposal, i.e. the Company, ARTEAR, Radio Mitre and Cablevisión, (a) do not have any corporate relationship with any of those companies and, pursuant to Section 27 of the Audiovisual Communication Services Law, do not control and are not controlled by any of those companies, (b) therefore, neither the Company, nor ARTEAR, Radio Mitre or Cablevisión was ever required to disclose those companies in the Proposal. No such obligation arises from the application of the law or from the application of the regulations issued by AFSCA itself. Moreover, the companies mentioned by AFSCA do not result in the creation vertical or horizontal integration processes with any of the companies involved in the proposal, and do not infringe the multiple license regime provided under Section 45 of the Audiovisual Communication Services Law. Under the application of the Audiovisual Communication Services Law or its regulations, the Company, ARTEAR, Radio Mitre and Cablevisión were not required to identify and/or disclose information about any other company and/or venture that was not directly or indirectly related to the exploitation of audiovisual communication services identified at the time the Proposal was submitted. The AFSCA also stated in its Resolution that the transactions proposed to

divest of certain assets in Units 3, 4, 5 and 6 included provisions that would allow the Company to “recover its companies” and would prevent the prospective buyers from exercising their full ownership rights over such companies. AFSCA has allowed in other precedents identical rights, without considering them as events of non-compliance with the Audiovisual Communication Services Law. The transfer of the full ownership over the transferred assets may not be doubted, because the transfer agreement specifically provides for the acquisition of those assets by a third party in exchange for the payment of a sum of money, and in addition to the transfer of the equity interests, the Company loses its exposure, or right, over the variable returns generated by those assets as well as the ability to affect those returns.

Given the evident infringement of the guarantees of due process and defense in court, the Company, ARTEAR, Radio Mitre and Cablevisión requested the recusation of the AFSCA Directors who, without having read the internal opinions issued in this regard and even when this was not an item of the agenda, approved AFSCA Resolution No. 1121/2014, as well as the public officials who were actively involved in the process.

By means of Decree No. 1942/2014, the National Executive Branch decided to dismiss the recusation requested by the Company.

Subsequently, on October 28, 2014, the Company, Cablevisión, ARTEAR and Radio Mitre made a filing with AFSCA in order to request that agency to dismiss all the decisions rendered by the intervening Areas within the framework of Opinion No. 001488-DGAJyR/14 and to declare the nullity of AFSCA Resolution No. 1121/2014.

On October 31, 2014, Federal Civil and Commercial Court No. 1 granted an interim injunction (medida precauteladora) in re "GRUPO CLARÍN v. NATIONAL GOVERNMENT re/ Incidental procedure relating to appeal", whereby the court ordered the National Government and AFSCA “to abstain from performing, directly or through third parties, any action in connection with the ex officio transfer procedure until a decision is rendered with respect to the injunction requested by the Company”. The Company informed AFSCA of such decision through a Notarial Certificate on

the very same date, October 31, 2014. Therefore, the Company was not under an obligation to respond to the requests provided under Sections 3, 4 and 5 of Resolution No. 1,121/AFSCA/2014 as long as the interim injunction was in effect.

After being served with AFSCA Resolution No. 2,276/AFSCA/2012, the claimants had requested an injunction in re “GRUPO CLARÍN v. NATIONAL GOVERNMENT re/ Incidental procedure relating to appeal” ordering the suspension of the application of point b), Subsection 3, Section 161 of Decree No. 1,225/2010, of Section C “Ex officio transfer”, of Chapter III, Annex I, of AFSCA Resolution No. 297/2010, and of the ex officio transfer procedure provided under Annex I, of AFSCA Resolution No. 2,206/2012, and ordering AFSCA to abstain from: i) transferring ex officio the broadcasting licenses exploited by the claimants, ii) declaring the expiration of their licenses as a consequence of the failure to transfer such licenses ex officio and/or the breach of the challenged laws and iii) ordering the intervention and/or any other measure that might prevent the Company's normal management and the rendering of the audiovisual and internet access services until a final decision was rendered in the case. The purpose of the incidental procedure relating to appeal was to request the declaration of unconstitutionality of: 1) point b), Subsection 3, Section 161 of Decree No. 1,225/2010; 2) point 1 of Chapter 1 of AFSCA Resolution No. 297/2010, which provides for a term of thirty days to submit a proposal to conform the Company to the Audiovisual Communication Services Law; 3) Section C “Ex officio transfer”, of Chapter III, Annex I, of AFSCA Resolution No. 297/2010; 4) the first paragraph of Section 43 of Decree No. 1,225/2010; and 5) AFSCA Resolution No. 2,206/2012 to the extent it amends and regulates, in its Annex I, the ex officio transfer procedure for licenses and the essential assets related thereto. Given the fact that Resolution No. 2,276/12, which had also ordered the ex-officio forced divestiture procedure, was revoked by AFSCA after the Proposal had been submitted, the preliminary injunction was granted only after the claimants were served notice of AFSCA Resolution No. 1,121/2014.

In view of the serious irregularities mentioned above, upon a request made by Grupo Clarín,

ARTEAR and Radio Mitre in re “GRUPO CLARÍN S.A. and Other v. National Government and Other on Merely Declarative Action on Motion for appeal” (File 7,263/2012), on December 9, 2014, the National Court of First Instance on Federal Civil and Commercial Matters No. 1, Clerk’s Office No. 1, granted an injunction that suspended the effects of Resolution No. 1,121/AFSCA/2014 for a term of six months. This injunction has the same purpose as the above-mentioned interim injunction. Both AFSCA and the National Government were served with this decision and they both filed an appeal. The appeals were substantiated and the file was submitted to Chamber No. 1 of the National Court of Appeals on Federal Civil and Commercial Matters, which had to render a decision on the appeals.

On February 20, 2015, the Company was served notice of the decision rendered by the National Court of Appeals on Federal Civil and Commercial Matters, Chamber No. 1, whereby, on February 19, 2015, it confirmed the decision rendered by the Court of Federal Civil and Commercial Matters No. 1 in re “GRUPO CLARÍN v. NATIONAL GOVERNMENT re Incidental Procedure.”

Both the National Government and AFSCA filed an appeal against that decision to have the case brought before the Supreme Court which - once substantiated- was partially granted on April 16, 2015. Therefore, the case was submitted to the Supreme Court of Argentina which shall render a decision thereon.

The Company, Radio Mitre, ARTEAR and Cablevisión believe that they have executed the Proposal that was declared formally admissible pursuant to Resolution No. 193, fully in accordance with the commitment undertaken by them and in compliance with the applicable regulatory framework, and consider that Resolution No. 1,121/AFSCA/2014 is evidently arbitrary and inappropriate and infringes the constitutional guarantees of due process and defense in court. The procedure to approve such Resolution had serious irregularities and gross and malicious errors relating to the interpretation and application of effective legislation, inevitably rendering such Resolution null and void. For these reasons, the affected companies requested the Resolution’s nullification before an administrative court.

Therefore—and given AFSCA’s arbitrary and discriminatory decisions and the Company’s understanding that AFSCA made an unconstitutional application of Sections 45, 48 and 161 of Law No. 26,522, of Decree No. 1,225/10 and of the implementing regulations issued pursuant to AFSCA Resolutions Nos. 297/2010 and 2,206/2012—on March 5, 2015, the claimants broadened the scope of the claim filed in re “GRUPO CLARÍN v. NATIONAL GOVERNMENT on Incidental Procedure” (File 7,263/2012)”, and requested the judge to: (i) declare that AFSCA’s enforcement of Sections 45, 48 and 161 of the LSCA on the claimants through AFSCA Resolution No. 1,121/14 is unconstitutional and infringes the right to freedom of the press, property, equality before the law, due process, defense in court and the principle of reasonableness with which those powers must necessarily be exercised; (ii) declare, if necessary, that each and every resolution related to this unconstitutional enforcement, in particular AFSCA Resolution No. 1,121/14, is illegitimate and null and void; (iii) order claimants to comply with the legitimate legal obligation to conform to the LSCA, voluntarily applying the criteria adopted by AFSCA on other proposals and to order AFSCA to refrain from discriminating against the claimants in the consideration of their proposal to conform to the license regime provided under Section 45 of Law No. 26,522 and to comply with the conditions established in Recital 74 of the Supreme Court’s decision in re “Grupo Clarín and Other v. National Government on Incidental Procedure” for the application of Law No. 26,522; and, (iv) order the National Government to carry out each and every act required to implement the proposal submitted by the claimants that were identified in the Proposal.

The defendants filed an appeal requesting that the Judge revoke his decision that had extended the scope of the claim. The appeal was dismissed by the Judge and became final.

On May 18, 2015, Grupo Clarín, ARTEAR and Radio Mitre requested an extension of the effects of the interim injunction. Notice of such request was served on the defendants, which filed a response in due time and form objecting to such request. On July 15, 2015, the requested extension was granted for a term of six months, counted as from the date on which notice was served, that is to say, on July 15.



The claimants requested a new extension of the effects of the interim injunction. The Judge granted a preliminary injunction maintaining the effectiveness of the injunction on December 18, 2015, until a decision is rendered on the extension of the effects of the injunction.

The defendants filed an appeal against the extension of the effects of the interim injunction. On November 5, 2015, the Company was served with the decision rendered by Chamber No. 1 of the National Court of Appeals on Federal Civil and Commercial Matters, which on November 3, 2015 decided to confirm the extension of the effects of the interim injunction that suspends the effects of Resolution No. 1,121/AFSCA/2014 and the “Ex-Officio Transfer Procedure.”

Within the framework of the claims brought by Cablevisión in view of the imminent dispossession of its assets and licenses as a result of the decisions rendered by AFSCA since the enactment of Law No. 26,522, on November 27, 2012, that company requested a preliminary injunction against AFSCA and the Executive Branch providing, among other things, that neither the National Government nor the Provincial Government nor their agencies, may intervene, confiscate, dispossess, divest, reallocate, or make a public and/or private offering of any medium, license, brand, signal, equipment, facilities and/or content owned by Cablevisión based on reasons of public interest or for any other reason. After several judicial instances, and pursuant to a decision rendered by the Supreme Court of Argentina, Cablevisión amended the original injunction request and asked the Judge to provide: (i) that neither the National Government nor the Provincial Government nor their agencies may intervene, confiscate, dispossess, divest, reallocate, or make a public and/or private offering of any medium, license, brand, signal, equipment, facilities and/or contents owned by Cablevisión S.A. based on reasons of public interest or for any other reason; (ii) that neither the National Government nor any of its autarchic agencies may intervene or participate, directly or indirectly, in the management and administration of Cablevisión; (iii) the maintenance with full legal and temporal effects of the factual and legal situation existing as of that date with respect to the audiovisual communication and telecommunication service licenses, broadcast signals and other assets owned by Cablevisión that are necessary for that

company to exercise its rights to freedom of the press, freedom of speech, and freedom of information and opinion guaranteed by the constitution; and (iv) that neither the National Government nor any of its autarchic agencies may censor, review, intervene, interfere, change or alter the contents broadcast by Cablevisión S.A.

Cablevisión provided sufficient evidence of the plausibility of its claim and of the danger of incurring any delays. Therefore, on July 10, 2015, the Federal Court of Appeals of Mar del Plata decided to grant partially Cablevisión’s request, by maintaining the factual and legal situation prevailing in this case for a maximum term of three (3) months counted as from the date on which notice of its decision had been served on the enforcement authority. In addition, the Court ordered that notice of the decision should be served on the intervening administrative agency (AFSCA), provided that such notice shall in no case be deemed as an attempt to interfere with the progress of the procedure to conform the Company and some of its subsidiaries to the provisions of the LSCA, which shall continue through the pertinent legal proceedings to the extent that it does not contradict the decisions rendered by the Court of Appeals. The Court also ordered AFSCA to notify the Court of Appeals of any decision which - during the effectiveness of the injunction - may seek to change such “status” in any way.

On July 16, 2015, AFSCA and the National Government were served notice of the decision rendered by the Court of Appeals. As of the date of these financial statements, an appeal may be filed against this decision.

The term of the injunction expired and the Company requested an extension, which is pending before the Federal Court of Appeals of Mar del Plata.

On June 4, 2015, AFSCA requested a preliminary injunction ordering Cablevisión to refrain from entering into agreements, selling and/or accepting new subscribers on the grounds that the company exceeded the limit set forth under Law No. 26,522. Once the corresponding responses were filed, this request was dismissed by the Judge on July 15, 2015. To date, this decision is not yet final. This claim is pending before Civil and Commercial Court No. 1, Clerk’s Office No. 1. The Court of

Appeals confirmed the dismissal of the Court of First Instance.

Given the issuance of Resolution No. 1,121/AFSCA/2014, currently suspended by the court, the Company, ARTEAR and IESA made a filing before AFSCA on April 22, 2015 requesting this agency to inform them how to proceed in order to comply with the procedure established under Resolution No. 1,323/AFSCA/2014 concerning the registration of the signals “El Trece Satelital”, “Magazine”, “Quiero Música en mi idioma” and “Volver”. These signals had been transferred by ARTEAR to IESA in accordance with the proposal that had been declared formally admissible pursuant to Resolution No. 193/AFSCA/2014. The AFSCA stated that until a final decision was rendered on the process to conform the companies involved to the LSCA, the signals had to continue to be registered under the name of its original holder, i.e. ARTEAR.

It should be noted that the decision rendered by the Supreme Court of Argentina on October 29, 2013 expressly states the claimant companies’ right to claim economic damages caused to the Company and its subsidiaries as a consequence of the reorganization required to conform to the law. Accordingly, under the proposal submitted to AFSCA on November 4, 2013 the Company expressly reserved its right to bring judicial actions to claim for those damages.

On January 12, 2016, at the Extraordinary Shareholders Meeting, the shareholders of the Company considered the possibility of amending the Proposal that had been submitted pursuant to Law No. 26,522 and to the decision rendered by the Supreme Court of Argentina in re “Grupo Clarín and others v. Executive Branch and other re: Merely Declarative Action” (File 119/2010). To such end, the shareholders stated that upon submission of the Proposal, the Company made an explicit and unequivocal reservation of rights to (i) amend the proposal submitted in the event that the Agency were to allow and/or authorize the application of a more favorable interpretation of the law with respect to any other licensee and/or holder of a registered title and (ii) challenge judicially any infringement of the guarantees of due process, equality before the law and defense in court that may take place in the process to conform to the provisions of the LSCA. The foregoing contemplated that the Company and its

subsidiaries should have had and should continue to have access to all of the same mechanisms to conform to the provisions of the LSCA as the other licensees. The filing of this Proposal -which did not entail the waiver of the rights of the filing companies- was based, for that reason, on a key pillar: equal treatment under the terms of Section 16 of the Argentine National Constitution and strict compliance with the implementing regulations detailed by the Supreme Court of Argentina in the grounds of the decision rendered in the above-mentioned case, in which it states that the enforcement authority shall abide strictly by the principles of the National Constitution, the international treaties incorporated into it and the law itself, respecting equal treatment, without discriminating on the basis of dissenting opinions and guaranteeing the citizens’ right to have access to plural information. Therefore, taking into consideration: (i) that AFSCA violated Section 16 of the National Constitution because it applied certain criteria in the consideration of other proposals that were different from those applied to the Proposal submitted by the Company, discriminating against the Company and its subsidiaries; and (ii) that the new regulatory framework introduced by the Emergency Decree changes the legal situation of the Company and its subsidiaries with respect to regulatory matters, the shareholders of the Company at the General Extraordinary Shareholders’ Meeting held on January 12, 2016 decided: (a) To render without effect the Proposal and, therefore, to render without effect, in all relevant aspects, the decisions of the shareholders at the shareholders’ meetings of March 20, 2014, of June 30, 2014- including the subsequent reconvened meeting after its adjournment on July 11, 2014- and of September 22, 2014, at which the shareholders made corporate decisions to implement this Proposal, including without limitation the partial spinoff of the Company and its subsidiaries; (b) to maintain under the ownership of Inversora de Eventos S.A. the signals that had been previously transferred by Artear S.A., given that such sale is already consummated as of the date of the shareholders’ meeting; (c) to instruct the Board of Directors of the Company to appear before the various regulatory agencies involved and to render without effect all pending requests for authorization and/or registrations relating to the Proposal and, (d) to instruct the Board of Directors of the Company to analyze and

recommend the course of action that the Company should follow in order to comply with the applicable legal framework, with special consideration of recent developments.

Finally, pursuant to Resolution No. 17/ENACOM/2016 dated February 1, 2016, the new enforcement authority recognized that all the files and/or administrative proceedings pending resolution containing requests made under the regime approved by Section 161 of Law No. 26,522 and its regulations, among which is the proposal submitted by the Company and its subsidiaries, comply with the limits relating to multiplicity of licenses established by Section 45 of Law No. 26,522 amended by Emergency Decree No. 267/2015. Therefore, they shall be deemed concluded. Also in that Resolution, the ENACOM ordered that the above-mentioned files and/or administrative proceedings be filed. In addition, in the same administrative act, ENACOM revoked Resolution No. 1,121/AFSCA/2014.

#### **9.4.2 Resolution No. 577/COMFER/09**

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 Cablevisión were not sufficient.

On March 3, 2010, the Company brought a claim seeking to nullify 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 draft notice of such decision was submitted to the Court, which then issued the official notice on December 26, 2012. Together with the draft notice, a request was submitted to set the preliminary hearing (before the discovery proceedings). Such dismissal was appealed by the COMFER and ratified by the Court of Appeals. Subsequently, the judge ordered discovery proceedings. As of the date of these financial statements, the proceeding was at the discovery stage. The COMFER (subsequently AFSCA) reported a new fact (AFSCA Resolution No. 193/2014). Cablevisión filed a response and the Court granted COMFER's request. In its decision, the Court held that the parties have different criteria about the interpretation of such resolution.

The ENACOM issued Resolution No. 17/ENACOM/2016, which revoked Resolution No. 577/COMFER/09. In this respect, the Company will report the new development in the case file.

#### **9.4.3 Other Resolutions issued by AFSCA**

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

This regulatory framework was subsequently supplemented by three resolutions. Through Resolution No. 24/AFSCA/2015, AFSCA

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

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

**9.4.4 Other Matters Related to the Federal Broadcasting Committee (COMFER, for its Spanish acronym), subsequently Audiovisual Communication Services Law Federal Enforcement Authority (AFSCA), now ENACOM (for its Spanish acronym).**

**CABLEVISION**

As from November 1, 2002 and until December 31, 2015, COMFER and AFSCA have initiated summary administrative proceedings against

Cablevisión and Multicanal (merged into Cablevisión) for infringements of regulations relating to programming content. Accordingly, a provision has been set up in this regard.

**ARTEAR**

Certain payment agreements that had been delivered by AFSCA to ARTEAR were deemed to enter into effect as of July 2, 2015. That company was authorized to adhere to the payment plan relating to infringements committed between November 21, 2002 and June 23, 2010, payable in sixty monthly installments starting on August 31, 2015. ARTEAR was also authorized to adhere to the applicable payment plan for infringements committed between June 24, 2010 and June 11, 2014, payable in thirty monthly installments starting on August 31, 2015. ARTEAR had set up provision for the amounts assessed and notified by AFSCA that were included in the payment plan.

**9.4.5 Bidding terms for the award of a physical link subscription television services.**

Pursuant to Resolution No. 432/2011, AFSCA approved new bidding terms and conditions for the granting of licenses for physical link subscription television services. As a consequence of the issuance of AFSCA Resolution No. 193/2014, Cablevisión purchased Bidding Forms to apply for certain licenses, in cases in which, as a consequence of the license consolidation process that was implemented, locations that used to be authorized as area extensions had to become license heads as a result of the reorganization, and also in the cases in which the original term had fully expired. Notwithstanding the foregoing, Cablevisión understands that the filings made by that Company became moot as a result of the application of the Emergency Decree, see Note 9.4.3.

**9.4.6 Other charges brought by AFSCA.**

Between September and October 2011, AFSCA brought 46 charges for 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, relating to the registration of the corporate reorganization whereby Multicanal and Teledigital, among other subsidiaries, merged into Cablevisión and in which through Resolution No. 577/COMFER/09 the merger process had been

rejected. Even though Cablevisión submitted the appropriate responses on behalf of the merged licensees that had been charged, no decision was ever rendered in that respect. Subsequently, the ENACOM issued Resolution No. 17/ENACOM/16, whereby it revoked Resolution No. 577/COMFER/09. Therefore, Cablevisión understands that the charges became moot and, therefore, it will request the ENACOM to file the proceedings.

#### **9.4.7. Programming Grid**

AFSCA Resolution No. 296/2010, as amended and/or supplemented, provided guidelines for the organization of the programming grids that had to be followed by the owners of subscription television audiovisual services. This resolution regulated section 65, subsections a) and b) of the LSCA and supplemented the provisions of the regulations to the same section of Decree No. 1,225/2010.

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 initiated multiple summary proceedings in connection with the cable television licenses of which Cablevisión is the lawful successor. AFSCA contended that Cablevisión had 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, while other proceedings are pending resolution. Cablevisión has appealed these decisions. Some of the appeals filed by Cablevisión have been decided against it and were appealed.

Insofar as Cablevisión is concerned, as of the date of these financial statements, an injunction issued 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 the City of Mar del Plata, whereby that Court revoked the decision rendered in the First Instance, remains in full force and effect. The decision rendered in the First Instance had ordered the dismissal of Cablevisión's request. The Court of Appeals ordered 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. Therefore, it also suspended 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 was dismissed. Consequently, AFSCA filed a direct appeal with the Supreme Court, which 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. 1.225/2010 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 has 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 that court imposed a fine on Cablevisión of Ps. 20,000 per day for each day of delay in complying with the injunction that ordered Cablevisión to comply with Section 65 of Decree No. 1.225/2010 and AFSCA Resolution No. 296/2010. Cablevisión filed an appeal against that decision in due time and form. However, the Court of Appeals ignored the strong grounds asserted by Cablevisión; partially confirmed the decision rendered in the first instance; and reduced the fine to Ps. 2,000 per day for each day of delay, to be calculated as from the date the decision is deemed final. An appeal was filed with the Supreme Court of Argentina, which was dismissed by the intervening Chamber. Cablevisión filed an appeal against such decision, which was dismissed by the Supreme Court of Argentina.

On October 21, 2013 Cablevisión was served with new charges brought for alleged noncompliance with AFSCA Resolution No. 296/2010, clearly violating the preliminary

injunction mentioned above. Accordingly, Cablevisión filed an appeal, but no decision has been rendered on the matter as of the date of these financial statements.

On December 23, 2013, Cablevisión informed AFSCA of its new programming grid in digital and analogical systems, expressly maintaining the reserves brought to continue challenging the legality and constitutionality of section 65 of Decree No. 1,225/2010 and AFSCA Resolution No. 296/2010, as amended.

Section 7 of the Emergency Decree, which amends, among other things, Section 10 of Law No. 27,078 sets forth that all the physical link and radio electric link subscription television services shall be governed by the Digital Argentina Act. Therefore, Cablevisión is no longer subject to Section 65 and its implementing regulations.

#### **9.4.8. Fibertel License.**

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, 2.375/97, 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. 100/10, revoking Fibertel's license.

Cablevisión believed that the Resolution was arbitrary and that it flagrantly violated due process and its defense right. Therefore, Cablevisión appealed such resolution.

On August 19, 2010 the Media Secretariat issued Resolution No. 100/10, whereby it revoked the license that had been granted to Fibertel. Cablevisión believed that this resolution was an absolutely null and void administrative act. Its language contradicted express provisions of the National Constitution, of Law No. 19,550 (Argentine Business Associations Law), as amended, Decrees Nos. 1,185/90 and 764/00 and Law No. 19,549 of Administrative Procedures, among others. The Resolution disregarded 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 General 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. 132/10 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 Services (“MINPLAN”, for its Spanish acronym).

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 National Court of Appeals on Federal Civil and Commercial Matters. On October 23, 2014, the preliminary injunction was ratified by the National Court of Appeals. The National Government filed an appeal against the decision rendered by the National Court of Appeals to have the case brought before the Supreme

Court. Such appeal was dismissed by the Court of Appeals and the National Government filed a direct appeal with the Supreme Court.

Due to the imminent possibility that the application of Law No. 26,522 would 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 that prevents it from affecting in any way the Internet access services offered by Cablevisión. That decision was subsequently revoked by Chamber No. 3 of the National Court of Appeals on Federal Civil and Commercial Matters.

Based on the decisions rendered by Chamber No. 3 on the above-mentioned preliminary injunctions, Cablevisión is authorized to continue to render the telecommunication services granted to Fibertel.

The Ministry of Communications, as the highest government agency, replacing the MINPLAN with respect to this specific competence, issued Resolution No. 5/2016, which was notified on February 29, 2016, whereby it revoked SECOM Resolution No. 100/2010 for legitimacy reasons. This Resolution, which had been issued by the former Secretariat of Communications, had revoked the exclusive telecommunication service license held by Fibertel S.A., which was merged into Cablevisión S.A.

#### **9.4.9. Nextel**

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

right to collect an additional amount of up to USD 13 million subject to the fulfillment of certain conditions. The offer submitted by Grupo Clarín was subject to the acceptance of the Sellers. On September 11, 2015, the Sellers accepted the offer submitted by Grupo Clarín and, on the same date, the Sellers accepted the assignment of the rights under such offer in favor of Cablevisión, offering Cablevisión the acquisition of 49 % of the capital stock of Nextel and the option to acquire the remaining 51%. In order to guarantee the rights and obligations under the offer, the capital stock owned by NII Mercosur Móviles, S.L.U. was pledged (subject to registration with the Public Registry of Commerce). The transaction was executed on September 14, 2015 with the aggregate payment by Cablevisión and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million guarantee fund with the balance to cover any potential liabilities of Nextel (this fund was set up on October 7, 2015). In addition, upon the fulfillment of certain conditions precedent, on October 1, 2015, Cablevisión paid to the Sellers the additional amount of USD 12,73 million. As of the date of these financial statements, the assignment of 49 % of the capital stock of Nextel in favor of Cablevisión has not yet been registered with the Public Registry of Commerce. Nextel will continue to be controlled and operated by the Sellers until the option to acquire the remaining 51% of the capital stock had been exercised. Subsequently, on January 27, 2016, Cablevisión and its subsidiary Televisión Dirigida S.A. decided to exercise the option to acquire the remaining 51% of the capital stock and votes of Nextel, and, consequently, Cablevisión became the holder of 51.4% of the capital stock and votes of Nextel and Televisión Dirigida S.A. became the holder of the remaining 48.6%.

Since the implementing regulations for Law No. 27,078 had not yet been issued, Decree No. 764/00 continued to apply, pursuant to Section 13 of the Digital Argentina Act. In full compliance with current regulations, before exercising the above-mentioned call option, a request would be filed before AFTIC to obtain the prior approval required under the regulatory framework.

Cablevisión and the Company, together with Nextel, notified AFTIC of the transaction and

in that same act they requested the recusation for cause of the Directors Norberto Carlos Berner and Nicolás Ernesto Karavaski.

Through Decree No. 1,950/15, the National Executive Branch dismissed the requested recusations.

Subsequently, through Resolution No. 326/2015, AFTIC rendered a decision whereby it considered that the transaction executed between Grupo Clarín, NII Mercosur Telecom, S.L.U. and NII Mercosur Móviles, S.L.U. infringed current regulations, in the understanding that there was a change of control of the licensee. In that same act, AFTIC held that Grupo Clarín and Cablevisión were not to be considered parties to the administrative proceeding since they did not have a legitimate interest and ordered Nextel, subject of the transfer of 49% of its capital stock, to cancel the above-mentioned transfer.

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

After both administrative acts became public, the Company and Cablevisión, which had not been served with Resolution No. 326/2015, made a filing before AFTIC requesting access to the administrative file. The request was dismissed by the Enforcement Authority through Resolution No. 2,472/2015 on the grounds that the Company and Cablevisión were not considered to be parties to the proceeding.

On October 9, 2015, Grupo Clarín and Cablevisión filed an appeal against both administrative acts (Resolutions No. 325/2015 and 326/2015) grounding their legitimate interest on their acquisition of 49 % of the licensee. Regarding Resolution No. 326/2015, Grupo Clarín and Cablevisión stated that a transfer of control had not taken place as alleged by AFTIC. With regard to the requests for extension of certain frequencies, which had been timely requested, Grupo Clarín and Cablevisión believe that their dismissal infringes applicable law and the most essential principles of administration of the radio electric spectrum.



Nextel first requested the suspension of the effects of Resolutions No. 325/2015 and 326/2015, respectively, and then filed an appeal against both acts.

Therefore, on January 29, 2016, Cablevisión and Nextel made a filing before the ENACOM as established under Section 8 of Decree No. 267/15 which amends Section 13 of Law No. 27,078 in order to request authorization for the change of control in full compliance with the new legal framework.

The ENACOM issued Resolution No. 133/2016, whereby it decided to grant partially the appeals that had been filed by Cablevisión against AFTIC Resolution No. 326/2015 to reconsider the request for approval of the transfer of control.

The ENACOM issued Resolution No. 134/2016, whereby it decided to grant partially the appeal filed by NEXTEL COMMUNICATIONS ARGENTINA S.R.L. against AFTIC Resolution No. 325/2015, rendering without effect the decision of that agency that had revoked the frequencies allocated to that licensee in respect of which an extension had been requested. Subsequently, through ENACOM Resolution No. 281/2016, the Enforcement Authority decided to authorize the extensions requested for a term of ten (10) years counted as from the original expiration of those authorizations.

This transaction is subject to the corresponding administrative approval of the CNDC. Through ENACOM Resolution No. 280/2016, served on Cablevisión on March 8, 2016, the Enforcement Authority authorized the changes in the equity interests of Nextel in favor of Cablevisión S.A.

#### **9.4.10 Audiovisual Communications Law of the Republic of Uruguay**

Law No. 19,307 was published in the Official Gazette of the Republic of Uruguay on January 14, 2015. This Law governs radio, television, and other audiovisual communication services (hereinafter, the “Audiovisual Communications Law”). Section 202 of this law provides that the Executive Branch shall issue the implementing regulations for this law within a 120-day term as from the day following the publication of this law in the Official Gazette. As of the date of the

financial statements, only Decree No. 45/015 has been issued, but the implementing regulations for most of the sections of this law are still pending. Such Decree provides that the concession for the use and allocation of the radio-electric spectrum for non-satellite audiovisual communication services shall be granted for a term of 15 years.

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

Adesol S.A. is analyzing the possible impact on its business that could be derived from the change in the regulatory framework and the eventual legal actions it may bring to safeguard its rights and those of its shareholders. That company is also monitoring the different unconstitutionality claims filed by other companies against certain sections of the above-mentioned law to consider whether the decisions to be rendered by the Supreme Court in those proceedings may be favorable to the position of Adesol S.A. in the future. As of the date of these financial statements, the Supreme Court has not yet issued any decision on those proceedings. However, the Prosecutor’s Office has issued four opinions in this respect, which are not binding on the Ministers of the Supreme Court.

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

## Note 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 addenda to the original agreements, the beginning of the effectiveness of the irrevocable put option was changed from March 16, 2010 to March 16, 2013. On March 15, 2013 and on February 18, 2016, additional addenda to the agreement were signed whereby the beginning of the effectiveness of the irrevocable put option was changed from March 16, 2013 to March 16, 2016 and from such date to March 16, 2017, respectively.

#### CMD

Pursuant to CMD's acquisition of 60.0% of Interpatagonia S.A.'s (now Interwa S.A.) 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.

In connection with the acquisitions mentioned in Note 12.e., CMD and the seller executed new agreements whereby they granted each other 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.

As of the date of these consolidated financial statements, as mentioned in Note 12.e, CMD holds a reciprocal call and put option for 6.66% of the shares of Interwa S.A., which is effective until December 2017.

The balances arising from the put options mentioned above are disclosed under the item Other Current and Non-Current Liabilities of the Balance Sheet, with an offsetting entry under Other Reserves and Non-Controlling Interest under Equity.

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## Note 11

### Financial instruments

#### 11.1 Financial Risks Management<sup>(\*)</sup>

(\*) 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.

##### 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 Cash Equivalents) divided by its adjusted EBITDA.

The debt-to-equity ratio for the reporting years is as follows:

|                                 | December 31, 2015 | December 31, 2014 |
|---------------------------------|-------------------|-------------------|
| Loans (i)                       | 6,935             | 4,589             |
| Less: Cash and Cash Equivalents |                   |                   |
| Cash and Banks                  | (2,026)           | (1,162)           |
| Other Current Investments       | (680)             | (556)             |
| Net Debt                        | 4,229             | 2,871             |
| Adjusted EBITDA                 | 8,361             | 5,040             |
| Debt-to-Equity Ratio            | 0.51              | 0.57              |

(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.

#### 11.1.2 Categories of Financial Instruments

|                                                         | December 31, 2015 | December 31, 2014 |
|---------------------------------------------------------|-------------------|-------------------|
| <b>Financial Assets</b>                                 |                   |                   |
| Loans and Receivables <sup>(1)</sup>                    |                   |                   |
| - Cash and Banks                                        | 2,026             | 1,162             |
| - Current Investments                                   | 501               | 505               |
| - Receivables <sup>(2)</sup>                            | 4,798             | 3,591             |
| At fair value with an impact on net income              |                   |                   |
| - Current Investments                                   | 1,144             | 1,181             |
| - Financial Instruments                                 | 58                | -                 |
| <b>Total Financial Assets</b>                           | <b>8,527</b>      | <b>6,439</b>      |
| <b>Financial Liabilities</b>                            |                   |                   |
| At amortized cost                                       |                   |                   |
| - Debt <sup>(3)</sup>                                   | 6,935             | 4,589             |
| - Accounts Payable and Other Liabilities <sup>(4)</sup> | 5,464             | 3,447             |
| At fair value with an impact on net income              |                   |                   |
| - Derivatives                                           | -                 | 5                 |
| <b>Total Financial Liabilities</b>                      | <b>12,399</b>     | <b>8,041</b>      |

(1) Net of the allowance for doubtful accounts of approximately Ps. 272 million and Ps. 183 million, respectively.

(2) Includes receivables with related parties of approximately Ps. 42 and Ps. 99 million, respectively.

(3) Includes loans with related parties of approximately Ps. 32 million and Ps. 17 million, respectively.

(4) Includes debts with related parties of approximately Ps. 95 million and Ps. 81 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 exchange rate fluctuations. During the year, certain subsidiaries of Grupo Clarín entered into foreign currency forward transactions.

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, 2015 and 2014:

|                          | (in millions of<br>Argentine pesos)<br>December 31, 2015 | (in millions of<br>Argentine pesos)<br>December 31, 2014 |
|--------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>Assets</b>            |                                                          |                                                          |
| Other Receivables        | 95                                                       | 78                                                       |
| Trade Receivables        | 626                                                      | 523                                                      |
| Other Investments        | 488                                                      | 786                                                      |
| Cash and Banks           | 1,501                                                    | 823                                                      |
| <b>Total Assets</b>      | <b>2,710</b>                                             | <b>2,210</b>                                             |
| <b>Liabilities</b>       |                                                          |                                                          |
| Debt                     | 6,092                                                    | 3,847                                                    |
| Seller financings        | 2                                                        | 1                                                        |
| Other Liabilities        | 70                                                       | 43                                                       |
| Trade Payables and Other | 667                                                      | 222                                                      |
| <b>Total Liabilities</b> | <b>6,831</b>                                             | <b>4,113</b>                                             |

Bid/offered exchange rates as of December 31, 2015 and 2014 were of Ps. 12.94 and Ps. 13.04; and Ps 8,451 and Ps. 8,551; respectively.

#### 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 20% favorable/unfavorable fluctuation of the US dollar exchange rate would generate an income/loss before taxes of approximately Ps. 824 million and Ps. 381 million as of December 31, 2015 and 2014, respectively. Income from foreign exchange agreements in case of a 20% favorable/unfavorable fluctuation of the US dollar exchange rate would generate a gain/loss before taxes of approximately Ps. 118 million and Ps. 21 million as of December 31, 2015 and 2014, 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 that currency may have an indirect impact on its operations, depending on the ability of the relevant suppliers to reflect that effect on their prices.

#### 11.1.5. Interest Rate Risk Management

Grupo Clarín is exposed to interest rate risk basically through Cablevisión, certain of its subsidiaries and ARTEAR. 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. 6.3 million and Ps. 3.0 million as of December 31, 2015 and 2014, 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, 2015 | December 31, 2014 |
|---------------------------------------------------------------------|-------------------|-------------------|
| Investments valued at quoted prices at closing (Level 1)            | 1,115             | 767               |
| Other receivables valued at quoted prices at closing (Level 2)      | 58                | -                 |
| Other debt instruments valued at quoted prices at closing (Level 2) | -                 | 5                 |

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. 96 million and Ps. 77 million as of December 31, 2015 and 2014, respectively. Income from foreign exchange agreements in case of a 20% favorable/unfavorable fluctuation of the US dollar exchange rate would generate a gain/loss before taxes of approximately Ps. 118 million and Ps. 21 million as of December 31, 2015 and 2014, respectively.

A potential 10% favorable/unfavorable fluctuation of the quoted price of investments valued as Level 2 would generate an income/loss before taxes of approximately Ps. 17 million and Ps. 41 million as of December 31, 2015 and 2014, 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, and 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, 2015 and 2014, non-impaired past due trade receivables amounted to approximately Ps. 401,4 million and Ps. 398,5 million, respectively. These trade receivables are mainly from Cablevisión, they are in most cases up to 3 months overdue and involve subscribers with no recent insolvency record.

As of the same dates, the allowance for bad debts amounted to Ps. 195.7 million and Ps. 119.7 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% and 4% of accounts receivable as of December 31, 2015 and 2014, respectively.

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.

##### **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, 2015:**

| Maturities                   | Debt         | Other Debts  |
|------------------------------|--------------|--------------|
| Matured                      | -            | 1,216        |
| Without any established term | 2            | 234          |
| First Quarter 2016           | 843          | 3,214        |
| Second Quarter 2016          | 397          | 409          |
| Third Quarter 2016           | 1,068        | 367          |
| Fourth Quarter 2016          | 1,201        | 27           |
| More than 1 year             | 4,478        | 197          |
|                              | <b>7,989</b> | <b>5,664</b> |

**Information as of December 31, 2014:**

| Maturities                   | Debt         | Other Debts  |
|------------------------------|--------------|--------------|
| Matured                      | -            | 713          |
| Without any established term | 2            | 102          |
| First Quarter 2015           | 704          | 1,961        |
| Second Quarter 2015          | 564          | 230          |
| Third Quarter 2015           | 595          | 372          |
| Fourth Quarter 2015          | 203          | 27           |
| More than 1 year             | 3,169        | 221          |
|                              | <b>5,237</b> | <b>3,626</b> |

**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, 2015 | Quoted Prices<br>(Level 1) | Other Significant<br>Observable Items<br>(Level 2) |
|-----------------------|-------------------|----------------------------|----------------------------------------------------|
| <b>Assets</b>         |                   |                            |                                                    |
| Current Investments   | 1,144             | 1,115                      | 29                                                 |
| Financial Instruments | 58                | -                          | 58                                                 |

|                       | December 31, 2014 | Quoted Prices<br>(Level 1) | Other Significant<br>Observable Items<br>(Level 2) |
|-----------------------|-------------------|----------------------------|----------------------------------------------------|
| <b>Assets</b>         |                   |                            |                                                    |
| Current Investments   | 1,181             | 767                        | 414                                                |
| <b>Liabilities</b>    |                   |                            |                                                    |
| Financial Instruments | 5                 | -                          | 5                                                  |

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 book value of receivables with collection periods that extend through time is determined according to the estimated collection period, the time value of money and the specific risks of the transaction at the time of the measurement and, therefore, this book value approximates its fair value.

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

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

The following table shows the estimated fair value of non-current financial liabilities:

|                  | December 31, 2015 |            | December 31, 2014 |            |
|------------------|-------------------|------------|-------------------|------------|
|                  | Book Value        | Fair Value | Book Value        | Fair Value |
| Non-Current Debt | 4,033             | 3,903      | 2,870             | 2,675      |

## Note 12

### Interests in subsidiaries and affiliates

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. (now Interwa S.A.), where it now holds 80% of the capital stock. CMD paid approximately Ps. 4.3 million in consideration for the shares.

On November 25, 2014, one of the sellers of Interwa S.A.'s shares, as mentioned in Note 10 to these consolidated financial statements, exercised its put option for 6.66% of the shares of that company for approximately Ps. 1.5 million, payable in six monthly installments as from December 2014.



On January 8, 2015, CMD exercised the call option for an additional 6.66% of the equity interest in Interwa S.A. as mentioned under Note 10 to these consolidated financial statements, for approximately Ps. 1.5 million, payable in five monthly installments as from January 2015.

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., and subsequently dissolved). The transaction amounted to USD 2.8 million and Ps. 3.8 million.

During 2014, the direct and indirect equity interest of AGEA in Cúspide increased to approximately 93.5%, mainly as a result of AGR's purchase of shares of Cúspide on April 26, 2014 and the capital increase approved by the shareholders of Cúspide at that company's General Extraordinary Shareholders' Meeting held on June 30, 2014, which was fully subscribed by AGR. The total cost of these transactions amounted to approximately Ps. 21 million.

During 2015, AGEA increased its direct and indirect interest in Cúspide to approximately 97.6% mainly as a result of the capital increase approved by the shareholders of Cúspide at that company's General Extraordinary Shareholders' Meeting held on October 23, 2015, which was fully subscribed by AGR.

g. On November 14, 2013 ARTEAR assigned, sold and transferred to South Media Investments S.A. all of its equity interest in Ideas del Sur S.A. ("IDS"), accounting for 30% of the capital stock and votes of that company, together with all the political and economic rights inherent to the shares. The sale price was set at USD 12 million, which was collected in full as of December 31, 2013. The assignment, sale and transfer of those shares was carried out "as is" under the economic, financial, equity, tax and legal conditions of the shares and of IDS at the time, considered as a whole. Accordingly, ARTEAR was held harmless from any and all responsibility regarding the existence of any "certain", "contingent" or "hidden" liabilities (current or non-current) of IDS, that may have existed or originated prior to the closing date of the transaction, regardless of whether those liabilities were or were not disclosed in IDS' financial

statements. Based on the above, South Media Investments S.A. assumed the risk of the existence and/or emergence of liabilities in connection with IDS that may have existed or originated prior to the closing date of the transaction, regardless of whether such liabilities already existed or may become evident or enforceable in the future. South Media Investments S.A. firmly and irrevocably waived its right to bring any claim to which it may be deemed entitled against ARTEAR in this respect, holding it harmless -also firmly and irrevocably- from any and all such liabilities.

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

assignment of 49 % of the capital stock of Nextel in favor of Cablevisión has not yet been registered with the Public Registry of Commerce. Nextel will continue to be controlled and operated by the Sellers until the option to acquire the remaining 51% of the capital stock has been exercised. In addition, on January 27, 2016, Cablevisión and its subsidiary Televisión Dirigida S.A. decided to exercise the option to acquire the remaining 51% of the capital stock and votes of Nextel, and, consequently, Cablevisión became the holder of 51.4% of the capital stock and votes of Nextel and Televisión Dirigida S.A. became the holder of the remaining 48.6% (See Note 9.4.9).

Cablevisión and its subsidiary Televisión Dirigida S.A. have one year as from the date of acquisition of 51% of the capital stock to allocate the cost of acquisition and calculate goodwill in proportion to their equity interest.

Cablevisión concluded the process of allocating the purchase price of 49% of the capital stock of Nextel and calculated a gain from this acquisition of Ps. 316.7 million disclosed under the item “Equity in Earnings from Affiliates and Subsidiaries” of the Consolidated Statement of Comprehensive Income, mainly due to the fact that the valuation of its identifiable assets, liabilities and contingent liabilities in proportion to its equity interest exceeds the acquisition cost.

During the last quarter of 2015, Cablevisión's investment in Nextel generated a total gain of Ps. 85.0 million, mainly as a result of the purchase of Nextel.

According to the Special Financial Statements of Nextel for the three-month period ended December 31, 2015, sales, income after taxes from continuing operations and net assets amounted to Ps. 870.8 million, Ps. 173.6 million and Ps. 2,451,1 million, respectively.

i. On September 30, 2015, ARTEAR and AGEA, together with other companies, created a company under the name “RPA Media Place S.A.,” engaged in advertising on digital websites, with an equity capital of Ps. 100,000. Each of ARTEAR and AGEA hold a 19% interest in RPA Media Place S.A. On November 14, 2015, that company was registered with the Argentine Superintendency of Legal Entities.

j. On August 20, 2015, FEASA together with Publirevistas S.A., created a company under the name “Exponenciar S.A.,” engaged in the organization, development and operation of fairs, exhibitions, seminars and conferences, with an equity capital of Ps. 100,000. FEASA holds a 50% interest in Exponenciar S.A. As of the date of these financial statements, the incorporation of that company is pending registration with the IGJ.

k. On October 8, 2015, CMD entered into a stock purchase agreement, whereby it increased its interest in Electro Punto Net S.A. by 26%. The amount of this operation is approximately Ps. 11.8 million. In December 2015, Electro Punto Net S.A. capitalized irrevocable contributions made by CMD for Ps. 8 million, increasing its interest to 54.3% in the capital stock of Electro Punto Net S.A.

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## Note 13

### Assets held-for-sale and discontinued operations

Based on the situations described in Note 9.4.1 to the consolidated financial statements as of December 31, 2014, certain assets have been classified as Assets held for sale as of such date, as required by IFRS.

The following balances of Investments in unconsolidated affiliates were classified as Assets held for sale as of December 31, 2014 (in millions of Argentine pesos):

|                 | December 31, 2014 |
|-----------------|-------------------|
| IESA            | 158.8             |
| Telba           | 3.9               |
| Cuyo Televisión | 1.1               |
|                 | <b>163.8</b>      |

The following balances of Property, Plant and Equipment were classified as Assets held for sale as of December 31, 2014 (in millions of Argentine pesos):

|                               | December 31, 2014 |
|-------------------------------|-------------------|
| Property, Plant and Equipment | 0.1               |
|                               | <b>0.1</b>        |

Based on the situations described under Note 9.4.1 to the consolidated financial statements, as of December 31, 2015, the above-mentioned assets are no longer disclosed under Assets held for sale. The following is a summary of the main financial effects on these consolidated financial statements (in millions of Argentine pesos).

|                         | December 31, 2015 |
|-------------------------|-------------------|
| Current assets          | 147               |
| Non-current assets      | 138               |
| Current liabilities     | 84                |
| Non-current liabilities | 13                |

Detail of net income for the year presented on a comparative basis, disclosed in these consolidated financial statements for comparative purposes against the previous year:

|                                                     | December 31, 2014 |
|-----------------------------------------------------|-------------------|
| Operating Income <sup>(1)</sup>                     | 8.5               |
| Other Income and Expense, net                       | (3.2)             |
| Financial Results, net                              | 0.1               |
| Equity in Earnings from Affiliates and Subsidiaries | 32.1              |
| Income before Income Tax and Tax on Assets          | 37.5              |
| Income Tax and Tax on Assets                        | (2.7)             |
| <b>Net Income from Discontinued Operations</b>      | <b>34.7</b>       |

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

## Note 14

### Reserves, retained earnings and dividends

|                                                    | December 31, 2015    | December 31, 2014    |
|----------------------------------------------------|----------------------|----------------------|
| Balances at the beginning of the year:             |                      |                      |
| Legal Reserve                                      | 119,460,767          | 112,710,297          |
| Accumulated Results                                | 804,101,687          | 479,831,556          |
| Other Reserves                                     | (209,686)            | 5,207,274            |
| Optional Reserves                                  | 2,071,576,709        | 1,838,495,623        |
| Total                                              | 2,994,929,477        | 2,436,244,750        |
| Net Income Attributable to the Parent Company      | 1,884,929,369        | 804,101,687          |
| Dividend Distribution                              | (250,000,000)        | (240,000,000)        |
| Changes in Reserves for Acquisition of Investments | (3,444,081)          | (5,416,960)          |
| <b>Balance at the end of the year</b>              | <b>4,626,414,765</b> | <b>2,994,929,477</b> |

#### a. Grupo Clarín

On April 28, 2015, at the Annual Ordinary Shareholders' Meeting of the Company, the shareholders decided, among other things, to appropriate the net income for the fiscal year 2014, which amounted to Ps. 804,101,687, as follows: (i) Ps. 250,000,000 to the distribution of dividends payable in two installments of Ps. 125,000,000 each, the first one to be paid within 30 days as from the date of the shareholders' Meeting and the second one to be paid on December 31, 2015 or on an earlier date as determined by the Company's Board of Directors and (ii) Ps. 554,101,687 to an optional reserve to provide financial aid to subsidiaries and in connection with the Audiovisual Communication Services Law.

#### b. Cablevisión

On April 23, 2015, at the Annual General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión, the shareholders decided to distribute cash dividends in the amount of Ps. 436 million, payable in Argentine Pesos or US Dollars within a term of thirty days as from the date of such Shareholders' Meeting delegating on the Board of Directors of Cablevisión the power to establish the time and payment method. Of that amount, approximately Ps. 174.5 million corresponds to the non-controlling interest in this company. As of the date of these financial statements, Cablevisión paid Ps. 435.8 million of distributed dividends.

## Note 15

### Non controlling interest

|                                                            | December 31, 2015    | December 31, 2014    |
|------------------------------------------------------------|----------------------|----------------------|
| Balances as of January 1st                                 | 2,282,464,286        | 1,748,885,854        |
| Equity in the Earnings of Other Companies for the year     | 1,030,981,112        | 541,359,977          |
| Dividends and Other Movements of Non-Controlling Interest  | (185,625,298)        | (173,220,528)        |
| Variation in Translation Differences of Foreign Operations | 47,468,897           | 165,438,983          |
| <b>Balance at the end of the year</b>                      | <b>3,175,288,997</b> | <b>2,282,464,286</b> |

The following is a detail of certain supplementary information required by IFRS about the non-controlling interest in Cablevisión. The information corresponds to the subsidiary's identifiable assets and liabilities on which the Company values its investment. The amounts are stated in millions of pesos and do not take into consideration intercompany deletions.

|                                                                         | December 31, 2015 | December 31, 2014 |
|-------------------------------------------------------------------------|-------------------|-------------------|
| Country                                                                 | Argentina         | Argentina         |
| Non-controlling interest percentage                                     | 40.0%             | 40.0%             |
| Comprehensive income for the year allocated to non-controlling interest | 965               | 490               |
| Accumulated non-controlling interest at year-end                        | 2,808             | 1,948             |
| Summarized financial information:                                       |                   |                   |
| - Dividends distributed to Non-Controlling Interests                    | 174               | 158               |
| - Current assets                                                        | 4,436             | 3,337             |
| - Non-current assets                                                    | 14,547            | 9,607             |
| - Current liabilities                                                   | 6,489             | 3,692             |
| - Non-current liabilities                                               | 4,269             | 3,184             |
| - Revenues                                                              | 20,125            | 14,226            |
| - Net Income from Continuing Operations                                 | 2,450             | 1,264             |
| - Other Comprehensive Income                                            | 147               | 355               |
| - Total Comprehensive Income                                            | 2,597             | 1,619             |
| - Cash and Cash Equivalents at Year-end                                 | 2,177             | 1,333             |

## Note 16

### Balances and transactions with related parties

The following table contains the outstanding balances with related parties:

|                                 | December 31, 2015 | December 31, 2014 |
|---------------------------------|-------------------|-------------------|
| <b>Other Receivables</b>        |                   |                   |
| Non-Current                     |                   |                   |
| Under Joint Control             | 9,212,575         | -                 |
|                                 | 9,212,575         | -                 |
| Current                         |                   |                   |
| Under Joint Control             | 2,385,289         | 1,330,662         |
| Other Related Parties           | 19,918,734        | 17,140,641        |
|                                 | 22,304,023        | 18,471,303        |
| <b>Trade Receivables</b>        |                   |                   |
| Current                         |                   |                   |
| Under Joint Control             | 17,705,032        | 20,930,905        |
| Other Related Parties           | 2,372,249         | 60,190,140        |
|                                 | 20,077,281        | 81,121,045        |
| <b>Trade Payables and Other</b> |                   |                   |
| Current                         |                   |                   |
| Under Joint Control             | 77,149,743        | 41,796,587        |
| Other Related Parties           | 17,756,038        | 38,740,063        |
|                                 | 94,905,781        | 80,536,650        |
| <b>Debt</b>                     |                   |                   |
| Non-Current                     |                   |                   |
| Under Joint Control             | 9,212,575         | -                 |
|                                 | 9,212,575         | -                 |
| Current                         |                   |                   |
| Other Related Parties           | 22,708,882        | 16,701,274        |
|                                 | 22,708,882        | 16,701,274        |
| <b>Other Liabilities</b>        |                   |                   |
| Current                         |                   |                   |
| Under Joint Control             | -                 | 1,417             |
| Other Related Parties           | 39,490            | 299,516           |
|                                 | 39,490            | 300,933           |

The following table shows the operations with related parties for the years ended December 31, 2015 and 2014:

|                                    | Item                               | December 31, 2015 | December 31, 2014 |
|------------------------------------|------------------------------------|-------------------|-------------------|
| Under Joint Control                | Advertising Sales                  | 16,921,003        | 11,641,276        |
|                                    | Printing Services Sales            | 1,590,846         | 931,364           |
|                                    | Sales of Internet Subscriptions    | 53,747            | 355,012           |
|                                    | TV Signals Sales                   | -                 | 69,785            |
|                                    | Other Sales                        | 9,615,978         | 9,879,607         |
|                                    | Fees for Services                  | (54,343)          | (51,829)          |
|                                    | Productions and Co-Productions     | (2,055,651)       | (472,244)         |
|                                    | Printing and Distribution Costs    | (35,682,552)      | (26,852,007)      |
|                                    | Interest Expense                   | (2,380,000)       | (746,615)         |
|                                    | Rights                             | (335,824,878)     | (247,685,438)     |
|                                    | Advertising and Promotion Expenses | (2,805,030)       | (2,705,492)       |
|                                    | Other Related Parties              | Advertising Sales | 1,712,010         |
| Sales of Internet Subscriptions    |                                    | 44,390            | -                 |
| TV Signals Sales                   |                                    | 3,529,663         | 5,025,043         |
| Other Sales                        |                                    | 26,188,329        | 15,424,614        |
| Rentals                            |                                    | (680,927)         | (486,665)         |
| Interest Expense                   |                                    | (2,242,601)       | (1,358,239)       |
| Advertising and Promotion Expenses |                                    | (26,202)          | -                 |
| Other Purchases                    |                                    | (281,408,575)     | (236,938,535)     |
| Other Expenses                     |                                    | (10,040,352)      | (1,848,626)       |

The fees paid to the Board of Directors and the Upper Management of Grupo Clarín for the years ended December 31, 2015 and 2014 amounted to approximately Ps. 450 million and Ps. 175 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, 2015    | December 31, 2014  |
|-----------------------------------------------------------------------------------------------------|----------------------|--------------------|
| Net Income used in the Calculation of Basic Earnings per Share (gain):                              |                      |                    |
| From Continuing Operations                                                                          | 1,884,929,369        | 804,101,687        |
|                                                                                                     | <b>1,884,929,369</b> | <b>804,101,687</b> |
| 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                                                                                  | 6.56                 | 2.80               |

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, 2015 | December 31, 2014 |
|---------------------------------------------|-------------------|-------------------|
| <b>Basic and Diluted Earnings per Share</b> |                   |                   |
| From Continuing Operations                  | 6.56              | 2.80              |
| Total Earnings per Share                    | 6.56              | 2.80              |

Dividends paid for the year 2015 amounted to Ps. 250,000,000 (Ps. 0.87 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. 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.

e. 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.



f. GCSA Investments executed an agreement with Itaú Unibanco S.A., New York branch, to secure a financing transaction of a subsidiary of the Group by creating a security interest on a term deposit held in escrow at the above-mentioned bank in the aggregate amount of USD 20.2 million, which matures in July 2015. On April 29, 2015, GCSA Investments executed an agreement with Itaú Unibanco S.A., New York branch, whereby it reduced to USD 5.2 million the above-mentioned security interest. In addition, on July 24, 2015, GCSA Investments terminated the agreement executed with Itaú Unibanco S.A., New York branch.

g. During 2014, AGR financed the acquisition of machinery and equipment through leasing agreements mentioned in Note 5.12.2 to these consolidated financial statements. Grupo Clarín and AGEA are joint debtors of said financing.

h. On August 28, 2015, Grupo Clarín became the guarantor of certain financial obligations of AGEA with Banco Santander Río S.A. for a term of 90 days.

i. On July 24, 2015, Grupo Clarín became the guarantor to secure certain financial obligations of AGEA, AGR and Cúspide with Banco Itaú Argentina S.A.

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## Note 19

### **Award of a 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.

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## Note 20

### **Long-term savings plan for employees**

During the last quarter of 2007, the Company, together with its subsidiaries, began to implement a long-term savings plan 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 long-term savings plan.

Said plan provides for certain special conditions for those managers who were in the “executive payroll” before January 1st, 2007. Such conditions consist of supplementary contributions made by each company to the plan related to the executive’s years of service with the Group. As of December 31, 2015, such supplementary contributions made by the Company on a consolidated basis amount to approximately Ps. 57 million, and the charge to income is deferred until the retirement of each executive.

During 2013, certain changes were made to the savings system, although its operation mechanism and the main characteristics with regard to the obligations undertaken by the company were essentially maintained.

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, 2015 and 2014, 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, 2015 | December 31, 2014 |
|-----------------------|-------------------|-------------------|
| 1 year                | 269               | 165               |
| Between 1 and 5 years | 505               | 163               |
| 5 years or more       | 59                | 27                |
|                       | <b>833</b>        | <b>355</b>        |

## Note 22

### Derivatives

The following is a detail of the derivatives held by the Company (amounts stated in millions of Argentine pesos):

|                                                       | December 31, 2015 |             | December 31, 2014 |             |
|-------------------------------------------------------|-------------------|-------------|-------------------|-------------|
|                                                       | Assets            | Liabilities | Assets            | Liabilities |
| Foreign Currency Forward Contracts - Fair Value Hedge | 58.4              | -           | -                 | 4.7         |
| <b>Total</b>                                          | <b>58.4</b>       | <b>-</b>    | <b>-</b>          | <b>4.7</b>  |
| Less non-current portion:                             |                   |             |                   |             |
| Foreign Currency Forward Contracts - Fair Value Hedge | -                 | -           | -                 | -           |
| <b>Total</b>                                          | <b>-</b>          | <b>-</b>    | <b>-</b>          | <b>-</b>    |
| <b>Current portion</b>                                | <b>58.4</b>       | <b>-</b>    | <b>-</b>          | <b>4.7</b>  |

No ineffectiveness has been recorded in connection with fair value hedges.

## Note 23

### Law No. 26,831 Capital Markets

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

On July 29, 2013, the National Government issued Decree No. 1023/2013 to regulate partially the Capital Markets Law that had been passed on November 29, 2012. Among other provisions, the Decree regulates Section 20 of said Law, pursuant to which the CNV may appoint an overseer with veto rights over the decisions made by the boards of directors of entities subject to the public offering regime, or otherwise remove the boards from such entities for up to 180 days until all deficiencies found by the CNV are solved. Said Decree amends the Law it seeks to regulate and, therefore, constitutes a regulatory abuse. Thus, whereas the Law vests on the CNV the power to appoint an overseer or to remove the board of directors, the Decree allows the CNV to exercise that power if the shareholders and/or noteholders with a two percent (2%) interest in the company's capital stock or outstanding debt securities claim that they have suffered actual and certain damages or if they believe their rights may be seriously jeopardized in the future. The Decree also vests on the CNV the power to appoint the administrators or co-administrators that will hold office as a

consequence of the removal of the boards of directors. Thus, the Decree amends the Law by granting the CNV powers that were not provided therein. By doing so, the Executive Branch is assuming strictly legislative functions in breach of constitutional provisions.

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

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

## Note 24

### Extinction of the notes issued by AGEA

As mentioned in Note 5.12.2 to the consolidated financial statements, on January 28, 2014, AGEA repaid all of the USD 30.6 million aggregate principal amount outstanding and interest accrued as of such date on the Series C Notes issued by that company under the Global Program.

Pursuant to Article 16, Section V of Chapter I of Title III of the Restated Rules issued by the CNV, which governs the delisting due to non-existence of outstanding securities, upon the extinction of the Series C Notes, AGEA filed the required documentation with the CNV.

On August 5, 2014, the CNV served AGEA with a notice requesting the latter to submit information to prove the extinction of Series A, B and D Notes, issued by that company under the Global Program for the Issuance of Notes. On August 12, 2014, AGEA submitted the information requested by the CNV, providing evidence of the extinction of the notes.

On October 8, 2014, the CNV requested AGEA to make a filing in connection with the delisting. On October 16, 2014, AGEA submitted a Note to the CNV whereby it requested delisting due to the extinction of its notes. As of the date of these financial statements, the CNV has not rendered a decision on this matter.

Once the authorization for public offering is cancelled due to the non-existence of outstanding securities, AGEA shall no longer be subject to the applicable regulations and legislation issued by the CNV, and shall become subject to the jurisdiction of the IGJ, and, therefore, to that agency's regulations.

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Signed for identification purposes  
with the report dated March 9, 2016

**Carlos Alberto Pedro Di Candia**  
Chairman of the Supervisory Committee

See our report dated March 9, 2016  
Price Waterhouse & Co. S.R.L.  
C.R.C.E.C.A.B.A. VOL. 1 - FOL. 17

**Dra. Teresita M. Amor** (Partner)  
Certified Public Accountant (UBA)  
C.R.C.E.C.A.B.A. VOL. 145 - FOL. 150

## Note 25

### Subsequent events

a. The events that took place subsequent to the closing of this year related to the regulatory framework applicable to the Company and its subsidiaries are described in Note 9.

b. In February 2016, Radio Mitre was served with a claim seeking to extend to Radio Mitre the bankruptcy of one of its subsidiaries, Cadena País Producciones Publicitarias S.A., in connection with a case pending before one of the National Courts of First Instance on Commercial Matters of the City of Buenos Aires. Our legal advisors believe that that company has sufficient legal and factual grounds to support its position contrary to that claim and, therefore, they do not foresee any adverse effects that may be derived from this situation.

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## Note 26

### Approval of financial statements

Grupo Clarín's Board of Directors has approved the consolidated financial statements and authorized their issue for March 9, 2016.

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**Jorge Carlos Rendo**  
Chairman



Assets

for sale

as per the corresponding statement)

Attributable to Shareholders of the Parent Company

Shareholders' Contributions

Items

ained Earnings

al Attributable to Shareholders of the Parent Company

Attributable to Non-Controlling Interests

**Total Shareholders' Equity**

|      |                |               |               |                |
|------|----------------|---------------|---------------|----------------|
| 5.6  | 2,827,301      | 1,389,317,582 | 82,905,052    | 16,246,453,303 |
| 5.7  |                |               |               |                |
| 5.8  |                |               |               |                |
| 5.9  |                |               |               |                |
| 5.5  |                |               |               |                |
| 5.10 |                |               |               |                |
| 13   |                |               |               |                |
|      | 490,582,852    | 11,456,124    | 949,442,104   | 3,790,626,735  |
|      | 1,186,552,013  | 2,025,780,934 | 8,454,550,762 |                |
|      | 24,701,000,065 |               |               |                |
|      | 2,010,000,000  |               |               |                |
|      | 4,630,000,000  |               |               |                |
|      | 1,232,850,673  |               |               |                |

**Liabilities**

**Non-Current Liabilities**

Provisions and Other

Debt

Deferred Tax Liabilities

Taxes Payable

Other Liabilities

Trade Payables and Other

**Total Non-Current Liabilities**

**Current Liabilities**

Debt

Seller Financings

Taxes Payable

Other Liabilities

Trade Payables and Other

**Total Current Liabilities**

**Total Liabilities**

**Equity and Liabilities**

SUPPLEMENTARY  
FINANCIAL  
INFORMATION

are an integral part of these consolidated financial statements and should be read in conjunction with the consolidated financial statements for the period ended March 9, 2020.

## Supplementary Financial Information

As of December 31, 2015

### 1. Company activities

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

The Company carried out its activities in the challenging context of constant harassment of the media in general and of Grupo Clarín in particular. 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. Advertising sales began to fall starting in February 2013, as a consequence of a substantial decrease in printed media advertising sales to supermarket and home appliance chains. This circumstance has a negative impact on the finances of news companies and, in particular, on this segment.

In the Broadcasting and Programming Segment, El Trece maintained the highest audience share. This leading position is mostly attributable to the good performance of its programming grid both during the Prime Time, and at other times. In Prime Time, the most outstanding features were the fiction shows “Las mil y una noches”, “Esperanza Mía” and “Noche y Día”, the newscast Telenoche and the entertainment shows Showmatch and A Todo o Nada. Noticiero Trece and El Diario de Mariana delivered good results in the afternoon. The shows Periodismo para

Todos, Lunch and Dinner with Mirtha Legrand, the quiz show Los 8 Escalones, the entertainment show Como anillo al dedo and the summaries of the highlights of “Las mil y una noches” contributed to a good performance during weekends.

In the Cable Television and Internet Access segment, the Company focused on subscriber loyalty initiatives, as well as on boosting penetration of its premium services, such as, Cablevisión HD, Pay Per View (PPV), Video On Demand (VoD) and Digital Video Recording (DVR) and expanding its broadband Internet access subscriber base. Progress was also made in the optimization of the reach of digital and premium services to cities and towns in the provinces.

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

and obligations under the offer, the capital stock owned by NII Mercosur Móviles, S.L.U. was pledged (subject to registration with the Public Registry of Commerce). The transaction was executed on September 14, 2015 with the aggregate payment by Cablevisión and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million guarantee fund with the balance to cover any potential liabilities of Nextel (this fund was set up on October 7, 2015). In addition, upon the fulfillment of certain conditions precedent, on October 1, 2015, Cablevisión paid to the Sellers the additional amount of USD 12.73 million. As of the date of these financial statements, the assignment of 49 % of the capital stock of Nextel in favor of Cablevisión has not yet been registered with the Public Registry of Commerce. Nextel will continue to be controlled and operated by the Sellers until the option to acquire

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

## 2. Consolidated financial structure

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

|                                     | December 31,<br>2015 | December 31,<br>2014 | December 31,<br>2013 | December 31,<br>2012 | December 31,<br>2011 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Non-current assets                  | 16,246,453           | 10,801,158           | 9,512,026            | 8,303,639            | 7,791,866            |
| Current assets                      | 8,454,551            | 6,366,440            | 4,872,758            | 3,699,980            | 2,855,978            |
| Assets held for sale                | -                    | 163,897              | -                    | -                    | -                    |
| <b>Total Assets</b>                 | <b>24,701,004</b>    | <b>17,331,495</b>    | <b>14,384,783</b>    | <b>12,003,619</b>    | <b>10,647,844</b>    |
| Equity of the Parent Company        | 7,232,951            | 5,483,022            | 4,729,908            | 4,090,030            | 3,634,142            |
| Equity of Non-Controlling Interests | 3,175,289            | 2,282,464            | 1,748,886            | 1,374,569            | 1,063,646            |
| <b>Total Equity</b>                 | <b>10,408,240</b>    | <b>7,765,487</b>     | <b>6,478,794</b>     | <b>5,464,599</b>     | <b>4,697,788</b>     |
| Non-current liabilities             | 4,718,094            | 3,520,126            | 3,451,464            | 3,378,694            | 3,319,250            |
| Current liabilities                 | 9,574,671            | 6,045,882            | 4,454,526            | 3,160,327            | 2,630,806            |
| <b>Total Liabilities</b>            | <b>14,292,764</b>    | <b>9,566,008</b>     | <b>7,905,989</b>     | <b>6,539,020</b>     | <b>5,950,056</b>     |
| <b>Total Equity and Liabilities</b> | <b>24,701,004</b>    | <b>17,331,495</b>    | <b>14,384,783</b>    | <b>12,003,619</b>    | <b>10,647,844</b>    |

### 3. Consolidated comprehensive income structure

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

|                                                                            | December 31,<br>2015 | December 31,<br>2014 | December 31,<br>2013 | December 31,<br>2012 | December 31,<br>2011 |
|----------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Operating income/loss from continuing operations <sup>(1)</sup>            | 6,565,323            | 3,594,695            | 2,149,638            | 1,900,321            | 1,710,140            |
| Financial Results                                                          | (3,064,437)          | (1,730,425)          | (1,473,831)          | (916,154)            | (582,086)            |
| Equity in Earnings from Affiliates and Subsidiaries                        | 544,630              | 71,895               | 99,483               | 13,683               | 33,654               |
| Other Income and Expense, net                                              | 99,907               | (638)                | 69,534               | 639                  | 1,507                |
| Income/loss from continuing operations before income tax and tax on assets | 4,145,423            | 1,935,527            | 844,825              | 998,490              | 1,163,215            |
| Income tax and tax on assets                                               | (1,229,513)          | (590,065)            | (97,924)             | (524,876)            | (425,032)            |
| Income for the year from continuing operations                             | 2,915,910            | 1,345,462            | 746,900              | 473,614              | 738,183              |
| Net Income from Discontinued Operations                                    | -                    | -                    | 53,765               | 498,717              | 47,426               |
| Net Income for the Year                                                    | 2,915,910            | 1,345,462            | 800,666              | 972,331              | 785,610              |
| Other Comprehensive Income for the Year                                    | 165,912              | 359,868              | 312,065              | 180,169              | 81,154               |
| <b>Total Comprehensive Income for the Year</b>                             | <b>3,081,822</b>     | <b>1,705,330</b>     | <b>1,112,731</b>     | <b>1,152,500</b>     | <b>866,764</b>       |

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



#### 4. Cash Flow Structure

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

|                                                             | December 31,<br>2015 | December 31,<br>2014 | December 31,<br>2013 | December 31,<br>2012 | December 31,<br>2011 |
|-------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Cash provided by (used in) Operating Activities             | 6,434,616            | 4,455,564            | 2,608,347            | 2,291,944            | 1,577,219            |
| Cash provided by (used in) Investment Activities            | (5,436,376)          | (2,900,589)          | (2,038,304)          | (819,887)            | (1,527,311)          |
| Cash provided by (used in) Financing Activities             | (885,467)            | (1,624,895)          | (412,863)            | (1,110,017)          | 187,633              |
| Total Cash provided (used) for the Year                     | 112,773              | (69,921)             | 157,180              | 362,040              | 237,541              |
| Financial Results Generated by Cash<br>and Cash Equivalents | 847,812              | 164,436              | 188,547              | 77,116               | 42,090               |
| <b>Total Changes in Cash</b>                                | <b>960,585</b>       | <b>94,515</b>        | <b>345,727</b>       | <b>439,156</b>       | <b>279,632</b>       |

## 5. Statistical data

|                                            | December 31,<br>2015 | December 31,<br>2014 | December 31,<br>2013 | December 31,<br>2012 | December 31,<br>2011 |
|--------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Cable TV subscribers <sup>(1) (5)</sup>    | 3,532,577            | 3,491,068            | 3,492,480            | 3,404,698            | 3,490,320            |
| Cable TV homes passed <sup>(2) (5)</sup>   | 7,795,404            | 7,514,104            | 7,509,525            | 7,455,898            | 7,586,506            |
| Cable TV churn ratio                       | 12.6                 | 13.6                 | 12.7                 | 12.8                 | 12.5                 |
| Internet access subscribers <sup>(1)</sup> | 2,025,860            | 1,837,672            | 1,711,587            | 1,504,380            | 1,351,107            |
| Newspaper circulation <sup>(3)</sup>       | 261,699              | 276,466              | 296,704              | 311,699              | 331,238              |
| Canal 13 audience share                    |                      |                      |                      |                      |                      |
| Prime Time <sup>(4)</sup>                  | 37.3                 | 33.3                 | 35.4                 | 35.9                 | 42.2                 |
| Total Time <sup>(4)</sup>                  | 30.4                 | 26.7                 | 28.0                 | 29.4                 | 33.0                 |

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

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

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

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

(5) As of December 31, 2015, 2014, 2013 and 2012 it does not include the data corresponding to Cablevisión's subsidiaries in Paraguay.

## 6. Ratios

|                                                                              | December 31,<br>2015 | December 31,<br>2014 | December 31,<br>2013 | December 31,<br>2012 | December 31,<br>, 2011 |
|------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| Liquidity (current assets / current liabilities)                             | 0.88                 | 1.05                 | 1.09                 | 1.17                 | 1.09                   |
| Solvency (equity / total liabilities)                                        | 0.73                 | 0.81                 | 0.82                 | 0.84                 | 0.79                   |
| Capital assets<br>(non-current assets / total assets)                        | 0.66                 | 0.62                 | 0.66                 | 0.69                 | 0.73                   |
| Return on equity (net income for the year /<br>average shareholders' equity) | 0.32                 | 0.19                 | 0.13                 | 0.19                 | 0.18                   |

## 7. Outlook

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

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.

Signed for identification purposes  
with the report dated March 9, 2016

**Carlos Alberto Pedro Di Candia**  
Chairman of the Supervisory Committee

See our report dated March 9, 2016  
Price Waterhouse & Co. S.R.L.  
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

**Dra. Teresita M. Amor** (Partner)  
Certified Public Accountant (UBA)  
C.P.C.E.C.A.B.A. VOL. 145 - FOL. 150

**Jorge Carlos Rendo**  
Chairman

## **Independent Auditor's Report**

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**

### **Report on the Consolidated Financial Statements**

We have audited the attached consolidated financial statements of Grupo Clarín S.A. and its controlled subsidiaries (the "Company") which comprise the consolidated balance sheet at December 31, 2015, the consolidated statements of comprehensive income, 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 2014 are an integral part of the above-mentioned audited financial statements, so they are to be considered in the light of those financial statements.

### **Board of Directors' responsibility**

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.

**Auditor's responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards were adopted as auditing standards in Argentina by Technical Resolution No. 32 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE, for its Spanish acronym) as they were approved by the International Auditing and Assurance Standards Board (IAASB) and require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements mentioned in the first paragraph of this report present fairly, in all material respects, the consolidated financial position of Grupo Clarín S.A. as of December 31, 2015 and the consolidated comprehensive income and consolidated cash flows for the fiscal year then ended, in accordance with International Financial Reporting Standards.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to Notes 8.1.b., 8.1.c., 9.2., 9.3., 8.1.a. and 9.4.10 to the consolidated financial statements, which describe the situations related to: (i) matters associated with the acquisition of Cablevisión S.A. and other companies and their subsequent merge with Multicanal S.A. and other companies; (ii) the change in the regulatory framework of the Telecommunications Sector resulting from the passing of the Digital Argentina Act, which regulation is pending as of the date of this report; (iii) the issuance of Emergency Decree No. 267/15 which introduced changes to the regulatory framework of the Audiovisual Communication Services and Telecommunications Sector, and through which was created the ENACOM to act as authority to enforce Laws 26,522 and 27,078 ;(iv) the resolution issued by the regulator to determine the monthly fee payable by the users of cable television services, which final outcome cannot be foreseen to the date of this report; and (v) the enactment of Law No. 19307 in the Republic of Uruguay regulating the main activities of Adesol S.A., a Cablevisión S.A. subsidiary, which regulation is pending as of the date of this report.

**Report on compliance with current regulations**

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;
- d) At December 31, 2015 the debt accrued in favor of the (Argentine) Integrated Social Security System according to the Company's accounting records and calculations amounted to \$2.836.612,52, none of which was claimable at that date;

e) In accordance with the requirements of Article 21°, Subsection e), Chapter III, Section VI, Title II of the regulations of the Argentine Securities Commission, we report that the total fees for audit services and related billed the Company in the year ended December 31, 2015 represent:

- e.1) 78% on the total fees for services invoiced to the Company for all concepts in that year;
- e.2) 12% on the total fees for audit and related services invoiced to the Company, its parent companies, subsidiaries and affiliates in that year;
- e.3) 11% 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 9, 2016

Price Waterhouse & Co. S.R.L.

by **Teresita M. Amor** (Partner)



Assets  
for sale  
as per the corresponding statement)  
attributable to Shareholders of the Parent Company  
Shareholders' Contributions  
r items  
ained Earnings  
al Attributable to Shareholders of the Parent Company  
attributable to Non-Controlling Interests  
**Total Shareholders' Equity**

|                |                |
|----------------|----------------|
| 26,729         | 10,982,825     |
| 2,827,301      | 298,124,661    |
| 1,389,317,582  | 348,510,868    |
| 82,905,052     | 218,605,816    |
| 16,246,453,303 | 20,862,397     |
|                | 1,177,000,000  |
| 490,682,852    | 272,551,844    |
| 11,456,124     | 1,982,000      |
| 949,442,104    | 624,652,000    |
| 3,790,626,735  | 2,285,000,000  |
| 1,186,552,013  | 1,186,552,013  |
| 2,025,780,934  | 1,186,552,013  |
| 8,454,550,762  | 6,350,000,000  |
|                | 24,707,000,000 |
|                | 2,010,000,000  |
|                | 4,630,000,000  |
|                | 1,232,850,673  |

**Liabilities**  
**Non-Current Liabilities**  
Provisions and Other  
Debt  
Deferred Tax Liabilities  
Taxes Payable  
Other Liabilities  
Trade Payables and Other  
**Total Non-Current Liabilities**  
**Current Liabilities**  
Debt  
Seller Financings  
Taxes Payable  
Other Liabilities  
Trade Payables and Other  
**Total Current Liabilities**  
**Total Liabilities**  
Equity and Liabilities

**PARENT  
COMPANY ONLY  
FINANCIAL  
STATEMENTS**

...are an integral part of these consolidated financial statements.  
...dated March 9, 20...

**Parent Company only  
Statement of  
Comprehensive  
Income**

For the years ended  
December 31, 2015 and 2014  
In Argentine Pesos (Ps.)

|                                                            | Notes | December 31, 2015    | December 31, 2014  |
|------------------------------------------------------------|-------|----------------------|--------------------|
| Equity in Earnings from Affiliates and Subsidiaries        | 4.3   | 1,989,947,579        | 731,181,954        |
| Management fees                                            |       | 162,560,000          | 116,160,000        |
| Administrative Expenses <sup>(1)</sup>                     | 5.1   | (198,684,409)        | (152,344,041)      |
| Other Income and Expense, net                              |       | (24,054,643)         | (16,446,377)       |
| Financial Costs                                            | 5.2   | (87,424,976)         | (785,000)          |
| Other Financial Results, net                               | 5.3   | 44,656,460           | 111,026,610        |
| Financial Results                                          |       | (42,768,516)         | 110,241,610        |
| Income before Income Tax and Tax on Assets                 |       | 1,887,000,011        | 788,793,146        |
| Income Tax and Tax on Assets                               | 6     | (2,070,642)          | 15,308,541         |
| <b>Net Income for the Year</b>                             |       | <b>1,884,929,369</b> | <b>804,101,687</b> |
| <b>Other Comprehensive Income</b>                          |       |                      |                    |
| Variation in Translation Differences of Foreign Operations |       | 118,443,011          | 194,429,342        |
| Other Comprehensive Income for the year net of income tax  |       | 118,443,011          | 194,429,342        |
| <b>Comprehensive Income for the Year</b>                   |       | <b>2,003,372,380</b> | <b>998,531,029</b> |

(1) Includes depreciation of property, plant and equipment and amortization of intangible assets in the amount of Ps. 821.139 and Ps. 784.183 for the years ended December 31, 2015 and 2014, respectively.

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

Signed for identification purposes  
with the report dated March 9, 2016

See our report dated March 9, 2016  
Price Waterhouse & Co. S.R.L.  
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

**Carlos Alberto Pedro Di Candia**  
Chairman of the Supervisory Committee

**Dra. Teresita M. Amor** (Partner)  
Certified Public Accountant (UBA)  
C.P.C.E.C.A.B.A. VOL. 145 - FOL. 150

**Jorge Carlos Rendo**  
Chairman



## Parent Company only Balance Sheet

As of December 31, 2015,  
and 2014  
In Argentine Pesos (Ps.)

|                                                    | Notes | December 31, 2015    | December 31, 2014    |
|----------------------------------------------------|-------|----------------------|----------------------|
| <b>Assets</b>                                      |       |                      |                      |
| <b>Non-Current Assets</b>                          |       |                      |                      |
| Property, Plant and Equipment                      | 4.1   | 1,258,776            | 1,421,956            |
| Intangible Assets                                  | 4.2   | 107,333              | 197,602              |
| Deferred Tax Assets                                | 6     | 31,599,563           | 30,528,358           |
| Investments in unconsolidated affiliates           | 4.3   | 7,613,659,094        | 5,294,496,135        |
| Other Receivables                                  | 4.4   | 30,000               | 30,000               |
| <b>Total Non-Current Assets</b>                    |       | <b>7,646,654,766</b> | <b>5,326,674,051</b> |
| <b>Current Assets</b>                              |       |                      |                      |
| Other Receivables                                  | 4.4   | 154,514,369          | 119,952,371          |
| Other Investments                                  | 4.5   | 19,848,419           | 60,603,314           |
| Cash and Banks                                     | 4.6   | 12,193,114           | 5,755,391            |
| <b>Total Current Assets</b>                        |       | <b>186,555,902</b>   | <b>186,311,076</b>   |
| Assets held for sale                               | 4.12  | -                    | 152,378,791          |
| <b>Total Assets</b>                                |       | <b>7,833,210,668</b> | <b>5,665,363,918</b> |
| <b>Equity (as per the corresponding statement)</b> |       |                      |                      |
| Shareholders' Contributions                        |       | 2,010,638,503        | 2,010,638,503        |
| Other items                                        |       | 592,243,638          | 477,244,708          |
| Retained Earnings                                  |       | 4,630,068,532        | 2,995,139,163        |
| <b>Total Equity</b>                                |       | <b>7,232,950,673</b> | <b>5,483,022,374</b> |
| <b>Liabilities</b>                                 |       |                      |                      |
| <b>Non-Current Liabilities</b>                     |       |                      |                      |
| Other Liabilities                                  | 4.3   | 228,553,387          | 119,904,077          |
| <b>Total Non-Current Liabilities</b>               |       | <b>228,553,387</b>   | <b>119,904,077</b>   |
| <b>Current Liabilities</b>                         |       |                      |                      |
| Debt                                               | 4.7   | 287,999,976          | 231,387              |
| Taxes Payable                                      | 4.8   | 11,239,631           | 3,614,046            |
| Other Liabilities                                  |       | 25,837,958           | 25,101,396           |
| Trade Payables and Other                           | 4.9   | 46,629,043           | 33,490,638           |
| <b>Total Current Liabilities</b>                   |       | <b>371,706,608</b>   | <b>62,437,467</b>    |
| <b>Total Liabilities</b>                           |       | <b>600,259,995</b>   | <b>182,341,544</b>   |
| <b>Total Equity and Liabilities</b>                |       | <b>7,833,210,668</b> | <b>5,665,363,918</b> |

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Chairman

## Parent Company only Statement of Changes in Equity

For the years ended  
December 31, 2015 and 2014  
In Argentine Pesos (Ps.)

|                                                            | Capital Stock      | Adjustment on<br>Capital Stock | Additional<br>Paid-in Capital |
|------------------------------------------------------------|--------------------|--------------------------------|-------------------------------|
| Balances as of January 1st, 2014                           | 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 Acquisition of Investments         | -                  | -                              | -                             |
| Net Income for the Year                                    | -                  | -                              | -                             |
| Other Comprehensive Income:                                |                    |                                |                               |
| Variation in Translation Differences of Foreign Operations | -                  | -                              | -                             |
| <b>Balances as of December 31, 2014</b>                    | <b>287,418,584</b> | <b>309,885,253</b>             | <b>1,413,334,666</b>          |
| Set-up of reserves (Note 7.a)                              | -                  | -                              | -                             |
| Dividend Distribution (Note 7.a)                           | -                  | -                              | -                             |
| Changes in Reserves for Acquisition of Investments         | -                  | -                              | -                             |
| Net Income for the Year                                    | -                  | -                              | -                             |
| Other Comprehensive Income:                                | -                  | -                              | -                             |
| Variation in Translation Differences of Foreign Operations | -                  | -                              | -                             |
| <b>Balances as of December 31, 2015</b>                    | <b>287,418,584</b> | <b>309,885,253</b>             | <b>1,413,334,666</b>          |

(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, (iii) Optional reserve for illiquidity of results of Ps. 694,371,899 and (iv) Optional reserve to provide financial aid to subsidiaries and in connection with the Audiovisual Communication Services Law of Ps. 1,244,277,741.

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

| Shareholders' Contributions |                                   | Other items        |                    |                                  | Retained Earnings    |                      |
|-----------------------------|-----------------------------------|--------------------|--------------------|----------------------------------|----------------------|----------------------|
| Subtotal                    | Translation of Foreign Operations | Other Reserves     | Legal Reserve      | <sup>(1)</sup> Optional reserves | Retained Earnings    | Total Equity         |
| 2,010,638,503               | 283,025,052                       | 5,207,274          | 112,710,297        | 1,838,495,623                    | 479,831,556          | 4,729,908,305        |
| -                           | -                                 | -                  | 6,750,470          | 233,081,086                      | (239,831,556)        | -                    |
| -                           | -                                 | -                  | -                  | -                                | (240,000,000)        | (240,000,000)        |
| -                           | -                                 | (5,416,960)        | -                  | -                                | -                    | (5,416,960)          |
| -                           | -                                 | -                  | -                  | -                                | 804,101,687          | 804,101,687          |
| -                           | 194,429,342                       | -                  | -                  | -                                | -                    | 194,429,342          |
| <b>2,010,638,503</b>        | <b>477,454,394</b>                | <b>(209,686)</b>   | <b>119,460,767</b> | <b>2,071,576,709</b>             | <b>804,101,687</b>   | <b>5,483,022,374</b> |
| -                           | -                                 | -                  | -                  | 554,101,687                      | (554,101,687)        | -                    |
| -                           | -                                 | -                  | -                  | -                                | (250,000,000)        | (250,000,000)        |
| -                           | -                                 | (3,444,081)        | -                  | -                                | -                    | (3,444,081)          |
| -                           | -                                 | -                  | -                  | -                                | 1,884,929,369        | 1,884,929,369        |
| -                           | -                                 | -                  | -                  | -                                | -                    | -                    |
| -                           | 118,443,011                       | -                  | -                  | -                                | -                    | 118,443,011          |
| <b>2,010,638,503</b>        | <b>595,897,405</b>                | <b>(3,653,767)</b> | <b>119,460,767</b> | <b>2,625,678,396</b>             | <b>1,884,929,369</b> | <b>7,232,950,673</b> |

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Certified Public Accountant (UBA)  
C.P.C.E.C.A.B.A. VOL. 145 - FOL. 150

**Jorge Carlos Rendo**  
Chairman

## Parent Company only Statements of Cash Flows

For the years ended  
December 31, 2015 and 2014  
In Argentine Pesos (Ps.)

|                                                                                           | December 31, 2015   | December 31, 2014    |
|-------------------------------------------------------------------------------------------|---------------------|----------------------|
| <b>Cash provided by Operating Activities</b>                                              |                     |                      |
| Net Income for the Year                                                                   | 1,884,929,369       | 804,101,687          |
| Income Tax and Tax on Assets                                                              | 2,070,642           | (15,308,541)         |
| Accrued Interest, net                                                                     | 1,687,928           | (2,834,839)          |
| Adjustments to reconcile net income for the year<br>to cash used in operating activities: |                     |                      |
| - Depreciation of Property, Plant and Equipment and<br>Amortization of Intangible Assets  | 821,139             | 784,183              |
| - Financial Income, except interest                                                       | 36,783,713          | (113,491,817)        |
| - Equity in Earnings from Affiliates and Subsidiaries                                     | (1,989,947,579)     | (731,181,954)        |
| Changes in Assets and Liabilities:                                                        |                     |                      |
| - Other Receivables                                                                       | (46,675,753)        | (47,742,299)         |
| - Trade Payables and Other                                                                | 12,421,986          | (3,603,586)          |
| - Taxes Payable                                                                           | 11,536,970          | (1,618,518)          |
| - Other Liabilities                                                                       | 736,562             | 7,186,396            |
| Income Tax and Tax on Assets Payments                                                     | (2,414,702)         | (1,249,492)          |
| <b>Net Cash Flows used in Operating Activities</b>                                        | <b>(88,049,725)</b> | <b>(104,958,780)</b> |
| <b>Cash provided by Investment Activities</b>                                             |                     |                      |
| Dividends collected                                                                       | 343,407,498         | 592,098,242          |
| Capital contributions in subsidiaries                                                     | (288,595,850)       | (479,985,500)        |
| Acquisition of Property, Plant and Equipment, net                                         | (567,690)           | (923,693)            |
| Acquisition of Intangible Assets                                                          | -                   | (52,976)             |
| Loans and interest collected                                                              | 24,290,152          | 9,200,646            |
| Loans granted                                                                             | (22,300,000)        | (14,200,000)         |
| Transactions with Securities, Bonds and<br>Other Financial Instruments, Net               | 32,201,214          | 74,375,208           |
| Collection of Certificates of Deposit                                                     | 31,610,543          | -                    |
| <b>Net Cash Flows provided by Investment Activities</b>                                   | <b>120,045,867</b>  | <b>180,511,927</b>   |

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Certified Public Accountant (UBA)  
C.R.C.E.C.A.B.A. VOL. 145 - FOL. 150

|                                                                       | December 31, 2015   | December 31, 2014    |
|-----------------------------------------------------------------------|---------------------|----------------------|
| <b>Cash provided by Financing Activities</b>                          |                     |                      |
| Loans                                                                 | 208,075,000         | 30,815,000           |
| Payment of Debts                                                      | (7,500,000)         | -                    |
| Payment of Interest                                                   | (231,387)           | -                    |
| Payment of Dividends                                                  | (250,000,000)       | (240,000,000)        |
| <b>Net Cash Flows used in Financing Activities</b>                    | <b>(49,656,387)</b> | <b>(209,185,000)</b> |
| <b>Financing Results generated<br/>by Cash and Cash Equivalents</b>   | <b>14,725,546</b>   | <b>11,354,146</b>    |
| Net decrease in cash flow                                             | (2,934,699)         | (122,277,707)        |
| Cash and Cash Equivalents at the Beginning of the Year<br>(Note 2.14) | 34,976,232          | 157,253,939          |
| <b>Cash and Cash Equivalents at Year-end (Note 2.14)</b>              | <b>32,041,533</b>   | <b>34,976,232</b>    |

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**Jorge Carlos Rendo**  
Chairman

## Notes to the Parent Company only Financial Statements

For the year ended  
December 31, 2015  
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

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. 26,831, it is required to apply such standards as from the year beginning January 1st, 2012. The FACPCE issues Adoption Communications for the enforcement of IASB resolutions in Argentina.

TR 26 provides 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, 2015, presented on a comparative basis, the Company has followed

the guidelines provided by TR 26, and, therefore, these financial statements have been prepared in accordance with IFRS, except for the above-mentioned valuation of investments in subsidiaries. Certain additional matters were included as required by the Argentine Business Associations Law and/or CNV regulations, including the supplementary information provided under the last paragraph of Section 1, Chapter III, Title IV of General Resolution No. 622/13. That information is included in the Notes to these parent company only financial statements, as provided under IFRS and CNV rules.

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.

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

The attached information, approved by the Board of Directors at the meeting held on March 9, 2016, is presented in Argentine Pesos (Ps.), the Argentine legal tender, and arises from accounting records kept by Grupo Clarín S.A.

##### 2.2 Standards and Interpretations issued but not adopted to date

The Company has not adopted IFRS or revisions of IFRS issued as per the detail below, since their application is not required for the year ended December 31, 2015:

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

- IFRS 15 "Revenue from contracts with customers": issued in May 2014 and applicable to fiscal years beginning on or after January 1,

2017. This standard specifies how and when revenue will be recognized, as well as the additional information to be disclosed by the Company in the financial statements. It provides a single, principles based five-step model to be applied to all contracts with customers.

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

### **2.3. Standards and Interpretations issued and adopted to date**

- IFRIC 21 Levies: The interpretation establishes how to account for liabilities to pay levies when those liabilities are within the scope of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and when they do not arise from income taxes (IAS 12) or from fines or other penalties imposed for breach of tax legislation. The interpretation clarifies what is the obligating event that triggers the obligation to pay the levy and when an entity should recognize that obligation. This standard is applicable to years beginning on or after January 1, 2014. This standard did not have an impact on the Company’s financial statements.

### **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. Control is presumed to exist when the Company has a right to variable returns from its interest in a subsidiary and has the ability to affect those returns through its power over the subsidiary. This power is presumed to exist when evidenced by the votes, be it that the Company has the majority of voting rights or potential rights currently exercised.

An associate is an entity over which the Company has significant influence, without exerting control, generally accompanied by equity holdings of between 20% and 50% of voting rights.

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 that 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 operation 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 previous 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.

### **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 Income Tax**

Current tax payable is based on the taxable income recorded during the year. Taxable income and net income reported in the parent company only 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 Income 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 income 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 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 parent company only 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 under 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.

#### 2.14 Parent Company Only Statement of Cash Flows

For the purposes of preparing the parent company only 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 parent company only balance sheet.

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

|                                  | December 31, 2015 | December 31, 2014 |
|----------------------------------|-------------------|-------------------|
| Cash and Banks                   | 12,193,114        | 5,755,391         |
| Short-Term Investments           | 19,848,419        | 29,220,841        |
| <b>Cash and Cash Equivalents</b> | <b>32,041,533</b> | <b>34,976,232</b> |

In the years ended December 31, 2015 and 2014, the following significant transactions were carried out, which did not have an impact on cash and cash equivalents:

|                                                               | December 31, 2015 | December 31, 2014 |
|---------------------------------------------------------------|-------------------|-------------------|
| Dividends collected through debt settlement                   | -                 | 31,600,000        |
| Capital contributions in subsidiaries through debt settlement | 8,000,000         | -                 |

### **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.

### **2.16 Assets held for sale**

Non-current assets (or disposal groups) are classified as assets held for sale where their value will be mostly recovered through their sale, to the extent such sale is highly likely to occur.

An entity shall cease to classify assets and liabilities held for sale as such when the conditions required under IFRS 5 are not met.

Pursuant to IFRS 5, if the Company ceases to classify a component as held for sale, the results of that component that were previously presented under discontinued operations must be reclassified and included under income from continuing operations for all periods presented. The Company will not reclassify or present amounts that have already been presented of non-current assets or assets and liabilities of disposal groups of elements which have been classified as held for sale in previous years, in order to reflect the same classification as that disclosed in the balance sheet of the last financial statements.

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## **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 that 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                         | Balance at<br>the Beginning | Additions      | Retirements | Historical value                       |
|--------------------------------------|-----------------------------|----------------|-------------|----------------------------------------|
|                                      |                             |                |             | Balances as of<br>December 31,<br>2015 |
| Furniture and Fixtures               | 443,518                     | 131,279        | -           | 574,797                                |
| Audio and Video Equipment            | 122,179                     | 30,883         | -           | 153,062                                |
| Telecommunication Equipment          | 218,091                     | 66,245         | -           | 284,336                                |
| Computer Equipment                   | 6,431,490                   | 339,283        | -           | 6,770,773                              |
| <b>Total as of December 31, 2015</b> | <b>7,215,278</b>            | <b>567,690</b> | <b>-</b>    | <b>7,782,968</b>                       |

| Main Account                   | Useful Life<br>(in years) | Balance<br>at the<br>Beginning | Retirements | For the year   | Depreciation                              | Net Book                            |
|--------------------------------|---------------------------|--------------------------------|-------------|----------------|-------------------------------------------|-------------------------------------|
|                                |                           |                                |             |                | Balances<br>as of<br>December<br>31, 2015 | Value as of<br>December<br>31, 2015 |
| Furniture and Fixtures         | 10                        | 270,308                        | -           | 45,454         | 315,762                                   | 259,035                             |
| Audio and Video Equipment      | 5                         | 114,692                        | -           | 5,555          | 120,247                                   | 32,815                              |
| Telecommunication<br>Equipment | 5                         | 137,894                        | -           | 30,041         | 167,935                                   | 116,401                             |
| Computer Equipment             | 3                         | 5,270,428                      | -           | 649,820        | 5,920,248                                 | 850,525                             |
| <b>Total as of 12.31.2015</b>  |                           | <b>5,793,322</b>               | <b>-</b>    | <b>730,870</b> | <b>6,524,192</b>                          | <b>1,258,776</b>                    |

| Main Account                         | Balance at the Beginning | Additions      | Retirements | Historical value                 |
|--------------------------------------|--------------------------|----------------|-------------|----------------------------------|
|                                      |                          |                |             | Balances as of December 31, 2014 |
| Furniture and Fixtures               | 443,518                  | -              | -           | 443,518                          |
| Audio and Video Equipment            | 122,179                  | -              | -           | 122,179                          |
| Telecommunication Equipment          | 193,123                  | 24,968         | -           | 218,091                          |
| Computer Equipment                   | 5,532,765                | 898,725        | -           | 6,431,490                        |
| <b>Total as of December 31, 2014</b> | <b>6,291,585</b>         | <b>923,693</b> | <b>-</b>    | <b>7,215,278</b>                 |

| Main Account                  | Useful Life (in years) | Balance at the Beginning | Retirements | For the year   | Depreciation                     | Net Book Value as of December |
|-------------------------------|------------------------|--------------------------|-------------|----------------|----------------------------------|-------------------------------|
|                               |                        |                          |             |                | Balances as of December 31, 2014 | 31, 2014                      |
| Furniture and Fixtures        | 10                     | 229,073                  | -           | 41,235         | 270,308                          | 173,210                       |
| Audio and Video Equipment     | 5                      | 105,978                  | -           | 8,714          | 114,692                          | 7,487                         |
| Telecommunication Equipment   | 5                      | 105,160                  | -           | 32,734         | 137,894                          | 80,197                        |
| Computer Equipment            | 3                      | 4,681,163                | -           | 589,265        | 5,270,428                        | 1,161,062                     |
| <b>Total as of 12.31.2014</b> |                        | <b>5,121,374</b>         | <b>-</b>    | <b>671,948</b> | <b>5,793,322</b>                 | <b>1,421,956</b>              |



## 4.2 Intangible Assets

| Main Account                  | Historical value            |           |             | Balances as of<br>December 31,<br>2015 |
|-------------------------------|-----------------------------|-----------|-------------|----------------------------------------|
|                               | Balance at<br>the Beginning | Additions | Retirements |                                        |
| Software                      | 406,468                     | -         | -           | 406,468                                |
| <b>Total as of 12.31.2015</b> | <b>406,468</b>              | <b>-</b>  | <b>-</b>    | <b>406,468</b>                         |

| Main Account                  | Amortization<br>Period<br>(in years) | Balance<br>at the<br>Beginning | Retirements | For the year  | Amortization                              | Net Book<br>Value as of<br>December<br>31, 2015 |
|-------------------------------|--------------------------------------|--------------------------------|-------------|---------------|-------------------------------------------|-------------------------------------------------|
|                               |                                      |                                |             |               | Balances<br>as of<br>December<br>31, 2015 |                                                 |
| Software                      | 3                                    | 208,866                        | -           | 90,269        | 299,135                                   | 107,333                                         |
| <b>Total as of 12.31.2015</b> |                                      | <b>208,866</b>                 | <b>-</b>    | <b>90,269</b> | <b>299,135</b>                            | <b>107,333</b>                                  |

| Main Account                  | Historical value            |               |             | Balances as of<br>December 31,<br>2014 |
|-------------------------------|-----------------------------|---------------|-------------|----------------------------------------|
|                               | Balance at<br>the Beginning | Additions     | Retirements |                                        |
| Software                      | 353,492                     | 52,976        | -           | 406,468                                |
| <b>Total as of 12.31.2014</b> | <b>353,492</b>              | <b>52,976</b> | <b>-</b>    | <b>406,468</b>                         |

| Main Account                  | Amortization<br>Period<br>(in years) | Balance<br>at the<br>Beginning | Retirements | For the year   | Amortization                              | Net Book<br>Value as of<br>December<br>31, 2014 |
|-------------------------------|--------------------------------------|--------------------------------|-------------|----------------|-------------------------------------------|-------------------------------------------------|
|                               |                                      |                                |             |                | Balances<br>as of<br>December<br>31, 2014 |                                                 |
| Software                      | 3                                    | 96,631                         | -           | 112,235        | 208,866                                   | 197,602                                         |
| <b>Total as of 12.31.2014</b> |                                      | <b>96,631</b>                  | <b>-</b>    | <b>112,235</b> | <b>208,866</b>                            | <b>197,602</b>                                  |

#### 4.3. Investment in Unconsolidated Affiliates

|                                      | Class  | Nominal Value | Quantity    | Value recorded as of 12.31.2015 <sup>(1)</sup> |
|--------------------------------------|--------|---------------|-------------|------------------------------------------------|
| <b>Non-Current Investments</b>       |        |               |             |                                                |
| SHOSA <sup>(3)</sup>                 | Common | Ps. 1.00      | 123,341,081 | 2,096,242,048                                  |
| Goodwill                             |        |               |             | 495,735,087                                    |
| Vistone <sup>(3)</sup>               | Common | Ps. 1.00      | 322,528,386 | 1,812,180,848                                  |
| VLG <sup>(3)</sup>                   | -      | -             | -           | 389,870,737                                    |
| Goodwill                             |        |               |             | 100,503,301                                    |
| CVB <sup>(3)</sup>                   | Common | Ps. 1.00      | 63,298,286  | 417,745,017                                    |
| CLC <sup>(3)</sup>                   | Common | Ps. 1.00      | 19,188,422  | 104,185,145                                    |
| Pem S.A.                             | Common | Ps. 1.00      | 1           | 2                                              |
| AGEA                                 | Common | Ps. 1.00      | 511,279,126 | 981,593,719                                    |
| AGR                                  | Common | Ps. 1.00      | 3,454,128   | 12,267,500                                     |
| CIMECO                               | Common | Ps. 1.00      | 37,412,958  | 47,749,185                                     |
| Goodwill                             |        |               |             | 58,837,707                                     |
| CMI                                  | Common | Ps. 1.00      | 98          | 314,895                                        |
| ARTEAR                               | Common | Ps. 1.00      | 53,186,347  | 671,142,681                                    |
| IESA <sup>(4)</sup>                  | Common | Ps. 1.00      | 52,812,454  | 178,927,125                                    |
| Radio Mitre                          | Common | Ps. 1.00      | 63,555,121  | 87,636,324                                     |
| GC Services                          | -      | -             | -           | 29,610,115                                     |
| GCGC                                 | Common | Ps. 1.00      | 29,890,979  | 30,848,312                                     |
| CMD                                  | Common | Ps. 1.00      | 83,095,647  | 63,576,405                                     |
| GC Minor                             | Common | Ps. 1.00      | 19,598,808  | 34,692,941                                     |
| <b>Total</b>                         |        |               |             | <b>7,613,659,094</b>                           |
| <b>Other Non-Current Liabilities</b> |        |               |             |                                                |
| GCSA Investments                     | -      | -             | -           | 228,553,387                                    |
| <b>Total</b>                         |        |               |             | <b>228,553,387</b>                             |

(1) In certain cases, the equity value does not correspond to the related shareholders' equity due to: (i) the adjustment of the equity value to the Company's accounting policies, as required by professional accounting standards, (ii) the elimination of goodwill generated by transactions between companies under the Company's common control, (iii) the existence of irrevocable contributions, and (iv) adjustments to fair market value of net assets for acquisitions made by the Company.

(2) Interest in votes amounts to 98.8%.

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

(4) See Note 4.12.

| Value recorded<br>as of<br>12.31.2014 <sup>(1)</sup> | Information about the issuer - Latest financial statements |            |               |               |               |                       |
|------------------------------------------------------|------------------------------------------------------------|------------|---------------|---------------|---------------|-----------------------|
|                                                      | Main business activity                                     | Date       | Capital Stock | Net Income    | Equity        | Interest (%)          |
| 1,367,165,063                                        | Investing and financing                                    | 12.31.2015 | 127,153,997   | 751.985.015   | 2.586.218.637 | 97,00%                |
| 495,735,087                                          |                                                            |            |               |               |               |                       |
| 1,289,942,653                                        | Investing and financing                                    | 12.31.2015 | 339,365,203   | 528.292.708   | 1.837.489.548 | 95,00%                |
| 268,951,367                                          | Investing and financing                                    | 12.31.2015 | 3,187,786,990 | 1.218.775.002 | 4.312.088.966 | 11,00%                |
| 100,503,301                                          |                                                            |            |               |               |               |                       |
| 295,897,131                                          | Investing and financing                                    | 12.31.2015 | 66,628,353    | 128.049.358   | 422.077.061   | 95,00%                |
| 80,864,561                                           | Investing and financing                                    | 12.31.2015 | 19,189,422    | 29.441.043    | 100.731.106   | 99,90%                |
| 2                                                    | Investing                                                  | 12.31.2015 | 13,558,511    | 20.260.912    | 51.272.262    | 0,00%                 |
| 739,781,268                                          | Publishing and Printing                                    | 12.31.2015 | 527,399,151   | 21.740.261    | 1.016.338.398 | 96,94%                |
| 2,931,914                                            | Printing                                                   | 12.31.2015 | 162,065,295   | (45.317.484)  | 142.139.275   | 2,13%                 |
| 41,598,029                                           | Investing and financing                                    | 12.31.2015 | 180,479,453   | 41.000.604    | 365.570.161   | 20,70%                |
| 58,837,707                                           |                                                            |            |               |               |               |                       |
| 262,999                                              | Advertising                                                | 12.31.2015 | 12,000        | 6.354.658     | 38.558.583    | 0,80%                 |
| 383,794,121                                          | Broadcasting Services                                      | 12.31.2015 | 54,859,553    | 537.837.686   | 746.539.308   | <sup>(2)</sup> 97,00% |
| -                                                    | Investing and financing                                    | 12.31.2015 | 55,012,857    | 75.713.230    | 236.810.943   | 96,00%                |
| 55,150,490                                           | Broadcasting Services                                      | 12.31.2015 | 65,413,136    | 21.858.529    | 92.571.412    | 96,50%                |
| 19,348,196                                           | Investing and financing                                    | 12.31.2015 | 19,075,942    | 10.261.919    | 29.610.115    | 100%                  |
| 21,594,262                                           | Services                                                   | 12.31.2015 | 30,291,285    | 9.479.687     | 31.261.438    | 98,70%                |
| 47,520,493                                           | Investing and services                                     | 12.31.2015 | 99,027,801    | (7.815.001)   | 141.805.042   | 83,91%                |
| 24,617,491                                           | Investing and financing                                    | 12.31.2015 | 21,957,879    | 10.914.388    | 40.623.625    | 89,30%                |
| <b>5,294,496,135</b>                                 |                                                            |            |               |               |               |                       |
| 119,904,077                                          | Investing and financing                                    | 12.31.2015 | 306           | (110,588,208) | (237,352,867) | 100%                  |
| <b>119,904,077</b>                                   |                                                            |            |               |               |               |                       |

#### Equity in Earnings from Affiliates and Subsidiaries

|                  | December 31, 2015    | December 31, 2014  |
|------------------|----------------------|--------------------|
| SHOSA            | 711,870,001          | 359,778,823        |
| Vistone          | 501,336,206          | 254,053,806        |
| VLG              | 131,311,402          | 65,091,555         |
| CVB              | 121,612,468          | 61,764,281         |
| CLC              | 28,894,577           | 14,804,885         |
| AGEA             | (22,528,937)         | (218,749,418)      |
| CIMECO           | 8,680,083            | 4,314,864          |
| GCSA Investments | (108,649,310)        | (54,715,782)       |
| ARTEAR           | 500,638,600          | 191,441,816        |
| IESA             | 73,204,432           | 32,156,370         |
| Radio Mitre      | 20,685,835           | 18,766,687         |
| GCGC             | 9,254,050            | (1,863,944)        |
| CMD              | (3,562,368)          | (2,852,683)        |
| GC Services      | 10,261,919           | 4,503,022          |
| Other            | 6,938,621            | 2,687,672          |
|                  | <b>1,989,947,579</b> | <b>731,181,954</b> |

#### 4.4 Other Receivables

|                                       | December 31, 2015  | December 31, 2014  |
|---------------------------------------|--------------------|--------------------|
| Non-Current                           |                    |                    |
| Guarantee Deposits                    | 30,000             | 30,000             |
| Tax on assets                         | 33,849,411         | 31,303,410         |
| Valuation Allowance for Tax on Assets | (33,849,411)       | (31,303,410)       |
|                                       | 30,000             | 30,000             |
| Current                               |                    |                    |
| Related Parties (Note 8)              | 150,911,085        | 114,541,873        |
| Tax Credits                           | 2,430,910          | 4,175,721          |
| Advances                              | 758,609            | 1,082,527          |
| Dividend Receivable (Note 8)          | 11,311             | 11,311             |
| Judicial Liens                        | 272,600            | -                  |
| Other                                 | 129,854            | 140,939            |
|                                       | <b>154,514,369</b> | <b>119,952,371</b> |

On October 1, 2015, the Company executed a loan agreement for consideration with a related company for USD 2 million, at an annual rate of 9.375%, due in April 2016. On December 3,

2015, the related company prepaid in full principal and interest on the loan agreement for consideration.

#### 4.5 Other Investments

|                       | December 31, 2015 | December 31, 2014 |
|-----------------------|-------------------|-------------------|
| Financial Instruments | -                 | 31,382,473        |
| Money Market          | 19,848,419        | 20,090,769        |
| Mutual Funds          | -                 | 9,130,072         |
|                       | <b>19,848,419</b> | <b>60,603,314</b> |

#### 4.6 Cash and Banks

|                        | December 31, 2015 | December 31, 2014 |
|------------------------|-------------------|-------------------|
| Cash and Imprest Funds | 420,050           | 282,380           |
| Cash at Banks          | 11,773,064        | 5,473,011         |
|                        | <b>12,193,114</b> | <b>5,755,391</b>  |

#### 4.7 Debt

|                          | December 31, 2015  | December 31, 2014 |
|--------------------------|--------------------|-------------------|
| Current                  |                    |                   |
| Related Parties (Note 8) | 287,999,976        | 231,387           |
|                          | <b>287,999,976</b> | <b>231,387</b>    |

The following table details the changes in loans and indebtedness for the years ended December 31, 2015 and 2014:

|                                      | 2015               | 2014           |
|--------------------------------------|--------------------|----------------|
| Balances as of January 1st           | 231,387            | 691,884        |
| New Loans and Indebtedness           | 208,075,000        | 30,815,000     |
| Accrued Interest                     | 6,077,468          | -              |
| Exchange Differences                 | 81,347,508         | 785,000        |
| Settlement of principal and interest | (7,731,387)        | (32,060,497)   |
| <b>Balances as of December 31</b>    | <b>287,999,976</b> | <b>231,387</b> |

#### 4.8 Taxes Payable

|                                     | December 31, 2015 | December 31, 2014 |
|-------------------------------------|-------------------|-------------------|
| Current                             |                   |                   |
| Taxes Payable on a National Level   | 10,619,121        | 3,614,046         |
| Taxes Payable on a Provincial Level | 620,510           | -                 |
|                                     | <b>11,239,631</b> | <b>3,614,046</b>  |

#### 4.9 Trade Payables and Other

|                                | December 31, 2015 | December 31, 2014 |
|--------------------------------|-------------------|-------------------|
| Current                        |                   |                   |
| Suppliers and Trade Provisions | 13,470,749        | 8,301,127         |
| Related Parties (Note 8)       | 2,178,648         | 1,767,399         |
| Employer's Contributions       | 30,979,646        | 23,422,112        |
|                                | <b>46,629,043</b> | <b>33,490,638</b> |

#### 4.10 Assets and Liabilities in Foreign Currency

| Items                            | December 31, 2015                   |                          |                          | December 31, 2014                   |                          |
|----------------------------------|-------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
|                                  | Type and Amount of Foreign Currency | Prevailing Exchange Rate | Amount in Local Currency | Type and Amount of Foreign Currency | Amount in Local Currency |
| <b>Assets</b>                    |                                     |                          |                          |                                     |                          |
| <b>Current Assets</b>            |                                     |                          |                          |                                     |                          |
| Other Receivables                | USD 1,090                           | 12.940                   | 14,105                   | USD 395                             | 3,338                    |
| Other Investments                | USD 1,533,881                       | 12.940                   | 19,848,419               | USD 6,090,787                       | 51,473,242               |
| Cash and Banks                   | USD 101,142                         | 12.940                   | 1,308,774                | USD 79,743                          | 673,882                  |
| <b>Total Current Assets</b>      |                                     |                          | <b>21,171,298</b>        |                                     | <b>52,150,462</b>        |
| <b>Total Assets</b>              |                                     |                          | <b>21,171,298</b>        |                                     | <b>52,150,462</b>        |
| <b>Liabilities</b>               |                                     |                          |                          |                                     |                          |
| <b>Current Liabilities</b>       |                                     |                          |                          |                                     |                          |
| Debt                             | USD 22,065,151                      | 13.040                   | 287,729,565              |                                     | -                        |
| <b>Total Current Liabilities</b> |                                     |                          | <b>287,729,565</b>       |                                     | -                        |
| <b>Total Liabilities</b>         |                                     |                          | <b>287,729,565</b>       |                                     | -                        |

USD - US Dollars

#### 4.11 Changes in Allowances

| Items                                           | Balance at the Beginning | Increases                 | Decreases                | Balances as of December 31, 2015 | Balances as of December 31, 2014 |
|-------------------------------------------------|--------------------------|---------------------------|--------------------------|----------------------------------|----------------------------------|
| <b>Deducted from Assets</b>                     |                          |                           |                          |                                  |                                  |
| Valuation Allowance for Net Deferred Tax Assets | 327,495                  | <sup>(1)</sup> 26,433,913 | -                        | 26,761,408                       | 327,495                          |
| Valuation Allowance for Tax on Assets           | 31,303,410               | <sup>(1)</sup> 3,140,036  | <sup>(1)</sup> (594,035) | 33,849,411                       | 31,303,410                       |
| Allowance for Goodwill Impairment               | 28,432,495               | -                         | -                        | 28,432,495                       | 28,432,495                       |
| <b>Total</b>                                    | <b>60,063,400</b>        | <b>29,573,949</b>         | <b>(594,035)</b>         | <b>89,043,314</b>                | <b>60,063,400</b>                |

(1) Charged to Income Tax and Tax on Assets

#### 4.12 Assets held-for-sale and discontinued operations

Based on the situations described in Note 11.4.1 to the parent company only financial statements as of December 31, 2014, the Company's investment in IESA for Ps. 152.4 million has been classified as Assets held for sale as of such date, as required by IFRS.

Based on the situations described in Note 11.4.1 to the parent company only financial statements, as of December 31, 2015, that investment is no longer disclosed under Assets held for sale as of such date.

## 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, 2015       | December 31, 2014  |
| Salaries, Social Security and Benefits to Personnel <sup>(1)</sup> | 109,277,845             | 78,926,025         |
| Supervisory Committee's fees                                       | 1,494,000               | 900,000            |
| Fees for services <sup>(2)</sup>                                   | 56,752,174              | 49,371,237         |
| Taxes, Duties and Contributions                                    | 8,522,305               | 6,225,974          |
| Other personnel expenses                                           | 2,578,722               | 1,475,382          |
| General expenses                                                   | 194,621                 | 148,910            |
| IT expenses                                                        | 1,674,750               | 1,676,817          |
| Maintenance Expenses                                               | 3,217,545               | 1,827,543          |
| Communication expenses                                             | 1,104,173               | 1,117,303          |
| Advertising expenses                                               | 1,436,447               | 1,040,997          |
| Travel Expenses                                                    | 4,648,095               | 4,627,116          |
| Stationery and Office Supplies                                     | 235,523                 | 104,542            |
| Depreciation of Property, Plant and Equipment                      | 730,870                 | 671,948            |
| Amortization of Intangible Assets                                  | 90,269                  | 112,235            |
| Other expenses                                                     | 6,727,070               | 4,118,012          |
| <b>Total</b>                                                       | <b>198,684,409</b>      | <b>152,344,041</b> |

(1) Includes fees for technical and administrative services to Directors in the amount of Ps. 13,014,730 as of December 31, 2015. Additionally, they include the effect of the long-term savings plan for employees mentioned in Note 13.

(2) Includes Directors' fees for they year 2015 in the amount Ps. 9,700,000.

### 5.2 Financial Costs

|                      | December 31, 2015   | December 31, 2014 |
|----------------------|---------------------|-------------------|
| Exchange Differences | (81.347.508)        | (785,000)         |
| Interest             | (6.077.468)         | -                 |
|                      | <b>(87.424.976)</b> | <b>(785,000)</b>  |

### 5.3 Other Financial Results, net

|                                                     | December 31, 2015 | December 31, 2014  |
|-----------------------------------------------------|-------------------|--------------------|
| Exchange Differences and Other Financial Results    | 12,362,580        | 8,991,008          |
| Results from transactions with securities and bonds | 32,201,215        | 105,168,208        |
| Interest                                            | 4,389,540         | 2,834,839          |
| Other Taxes and Expenses                            | (4,296,875)       | (5,967,445)        |
|                                                     | <b>44,656,460</b> | <b>111,026,610</b> |

## Note 6

### Income tax

The following table shows the breakdown of net deferred tax assets (amounts stated in thousands of Argentine Pesos):

|                                             | December 31, 2015 | December 31, 2014 |
|---------------------------------------------|-------------------|-------------------|
| <b>Assets</b>                               |                   |                   |
| Tax Loss Carryforwards                      | 26,761            | 327               |
| Other Investments                           | 24,249            | 24,431            |
| Employer's Contributions                    | 7,342             | 6,088             |
| Other                                       | 9                 | 9                 |
| Subtotal                                    | 58,361            | 30,855            |
| Valuation Allowance for Deferred Tax Assets | (26,761)          | (327)             |
| <b>Net Deferred Tax Assets</b>              | <b>31,600</b>     | <b>30,528</b>     |

The following table shows the reconciliation between the income tax and tax on assets charged to net income for the years ended December 31, 2015 and 2014 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, 2015 | December 31, 2014 |
|-------------------------------------------------------------------------------|-------------------|-------------------|
| Income Tax Assessed at the Current Tax Rate (35%) on Income before Income Tax | (661,211)         | (276,078)         |
| Permanent Differences:                                                        |                   |                   |
| Gain/Loss on Investments in Subsidiaries                                      | 697,242           | 255,914           |
| Non-Taxable Income                                                            | (8,647)           | (6,525)           |
| Other                                                                         | 121               | 18,048            |
| Subtotal                                                                      | 27,505            | (8,641)           |
| Valuation Allowance for Net Deferred Tax Assets Charged to Income             | (26,434)          | 27,096            |
| <b>Income Tax</b>                                                             | <b>1,071</b>      | <b>18,455</b>     |
| Deferred Taxes for the Year                                                   | 1,071             | 18,455            |
| Income Tax                                                                    | 1,071             | 18,455            |
| Tax on assets                                                                 | (3,142)           | (3,146)           |
| <b>Total</b>                                                                  | <b>(2,071)</b>    | <b>15,309</b>     |

As of December 31, 2015, the Company's accumulated tax loss carryforwards amounted to approximately Ps. 76.5 million, which calculated at the current tax rate, represent deferred tax assets in the amount of approximately Ps. 26.8 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 |
|-----------------|---------------------------------|
| 2018            | 1,102                           |
| 2020            | 75,359                          |
|                 | <b>76,461</b>                   |



## Note 7

### Reserves, Retained Earnings and Dividends

|                                                    | December 31, 2015    | December 31, 2014    |
|----------------------------------------------------|----------------------|----------------------|
| Balances at the beginning of the year:             |                      |                      |
| Legal Reserve                                      | 119,460,767          | 112,710,297          |
| Accumulated Results                                | 804,101,687          | 479,831,556          |
| Other Reserves                                     | (209,686)            | 5,207,274            |
| Optional Reserves                                  | 2,071,576,709        | 1,838,495,623        |
| Total                                              | 2,994,929,477        | 2,436,244,750        |
| Net Income for the year                            | 1,884,929,369        | 804,101,687          |
| Dividend Distribution                              | (250,000,000)        | (240,000,000)        |
| Changes in Reserves for Acquisition of Investments | (3,444,081)          | (5,416,960)          |
| <b>Balance at the end of the year</b>              | <b>4,626,414,765</b> | <b>2,994,929,477</b> |

#### 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.

On April 29, 2014, at the Annual Ordinary Shareholders' Meeting of Grupo Clarín, the shareholders decided, among other things, to appropriate the net income for the fiscal year 2013, which amounted to Ps. 479,831,556, as follows: (i) Ps. 240,000,000 to the distribution of cash dividends, (ii) Ps. 6,750,470 to the legal reserve, and (iii) Ps. 233,081,086 to an optional reserve to provide financial aid to subsidiaries and in connection with the Audiovisual Communication Services Law. As of December 31, 2014, the Company paid all of the distributed dividends.

On April 28, 2015, at the Annual Ordinary Shareholders' Meeting of the Company, the shareholders decided, among other things, to appropriate the net income for the fiscal year 2014, which amounted to Ps. 804,101,687, as follows: (i) Ps. 250,000,000 to the distribution of dividends payable in two installments of Ps. 125,000,000 each, the first one to be paid within 30 days as from the date of the shareholders' Meeting and the second one to be paid on December 31, 2015 or on an earlier

date as determined by Cablevisión's Board of Directors and (ii) Ps. 554,101,687 to an optional reserve to provide financial aid to subsidiaries and in connection with the Audiovisual Communication Services Law.

#### b. Cablevisión

On April 23, 2015, at the Annual General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión, the shareholders decided to distribute cash dividends in the amount of Ps. 436 million, payable in Argentine Pesos or US Dollars within a term of thirty days as from the date of such Shareholders' Meeting delegating on the Board of Directors of Cablevisión the power to establish the time and payment method. Of that amount, approximately Ps. 174.5 million corresponds to the non-controlling interest in this company. As of the date of these financial statements, Cablevisión paid Ps. 435.8 million of distributed dividends.

#### c. Other companies

During this period, the shareholders of ARTEAR decided to distribute cash dividends for a total of Ps. 220 million. As of the date of these financial statements, the Company collected all the dividends to which it was entitled based on its equity interest.

During this period, the shareholders of IESA decided to distribute cash dividends for a total of Ps. 48.6 million. As of the date of these financial statements, the Company collected all the dividends to which it was entitled based on its equity interest.

## 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, 2015 | December 31, 2014 |
|-------------------------------|--------------------------|-------------------|-------------------|
| <b>Subsidiaries</b>           |                          |                   |                   |
| SHOSA                         | Other Receivables        | 2,432             | 2,432             |
|                               | Debt                     | (170,189,828)     | -                 |
|                               | Trade Payables and Other | (56,786)          | -                 |
| VISTONE                       | Debt                     | (104,720,132)     | -                 |
| CVB                           | Debt                     | (13,090,016)      | -                 |
| CLC                           | Debt                     | -                 | (231,387)         |
|                               | Dividends Receivable     | 11,311            | 11,311            |
| AGEA                          | Other Receivables        | 104,018,497       | 83,813,483        |
|                               | Trade Payables and Other | (561,949)         | (372,005)         |
| ARTEAR                        | Other Receivables        | 4,658,835         | 181,835           |
|                               | Trade Payables and Other | (201,838)         | (201,838)         |
| IESA                          | Trade Payables and Other | -                 | (29,975)          |
| Radio Mitre                   | Other Receivables        | 669,635           | 11,587,534        |
| GCGC                          | Other Receivables        | 10,741            | 428,440           |
|                               | Trade Payables and Other | (25,924)          | (6,570)           |
| CMD                           | Other Receivables        | 2,952,480         | -                 |
|                               | Trade Payables and Other | (114,674)         | -                 |
| GC Services                   | Other Receivables        | 14,105            | 3,338             |
| <b>Indirectly controlled</b>  |                          |                   |                   |
| Cablevisión                   | Trade Payables and Other | (5,955)           | (3,379)           |
| PRIMA                         | Trade Payables and Other | (176,542)         | (487,516)         |
| AGR                           | Other Receivables        | 36,300,000        | 17,424,000        |
|                               | Trade Payables and Other | (2,673)           | (1,683)           |
| UNIR                          | Other Receivables        | 1,158             | 1,158             |
|                               | Trade Payables and Other | (2,360)           | -                 |
| Impripost                     | Other Receivables        | 2,283,074         | 1,087,874         |
| Ferías y<br>Exposiciones S.A. | Other Receivables        | 128               | 128               |
| TRISA                         | Trade Payables and Other | (1,029,947)       | (664,433)         |
| CIMECO                        | Other Receivables        | -                 | 11,651            |

The following table details the transactions carried out by the Company with related parties for the years ended December 31, 2015 and 2014:

| Company                      | Item             | December 31, 2015 | December 31, 2014 |
|------------------------------|------------------|-------------------|-------------------|
| <b>Subsidiaries</b>          |                  |                   |                   |
| AGEA                         | Management fees  | 18,000,000        | 24,000,000        |
|                              | Advertising      | (164,759)         | (273,485)         |
| ARTEAR                       | Management fees  | 44,400,000        | 33,600,000        |
| Vistone                      | Interest Expense | (400,132)         | -                 |
| CMD                          | Services         | (546,064)         | -                 |
|                              | Interest Income  | 54,021            | -                 |
| SHOSA                        | Interest Expense | (5,627,320)       | -                 |
|                              | Interest Income  | -                 | 7,134             |
| Radio Mitre                  | Management fees  | 2,280,000         | 960,000           |
|                              | Interest Income  | 1,887,014         | 1,292,543         |
| CVB                          | Interest Expense | (50,016)          | -                 |
| GCGC                         | Services         | (12,026,182)      | (8,307,999)       |
| <b>Indirectly controlled</b> |                  |                   |                   |
| Cablevisión                  | Management fees  | 77,120,000        | 40,800,000        |
|                              | Services         | (141,584)         | (90,160)          |
|                              | Interest Income  | 311,170           | -                 |
| PRIMA                        | Services         | (613,002)         | (561,051)         |
| AGR                          | Management fees  | 19,200,000        | 14,400,000        |
|                              | Services         | (8,234)           | (10,571)          |
| Impripost                    | Management fees  | 1,560,000         | 2,400,000         |
| UNIR                         | Services         | (1,951)           | -                 |

The fees paid to the Board of Directors and the Upper Management of the Company for the years ended December 31, 2015 and 2014 amounted to approximately Ps. 70 and Ps. 55 million, respectively.

## Note 9

### Terms and Interest Rates of Investments, Receivables and Liabilities

|                                                            | December 31, 2015  |
|------------------------------------------------------------|--------------------|
| <b>Other Investments</b>                                   |                    |
| Without any established term <sup>(1)</sup>                | 19,848,419         |
|                                                            | <b>19,848,419</b>  |
| <b>Receivables</b>                                         |                    |
| Without any established term <sup>(2)</sup>                | 148,670,847        |
| Due                                                        |                    |
| Within three months <sup>(5)</sup>                         | 5,873,522          |
|                                                            | <b>154,544,369</b> |
| <b>Liabilities</b> <sup>(2)(3)</sup>                       |                    |
| Without any established term                               | 3,543,506          |
| Due                                                        |                    |
| Within three months                                        | 53,442,690         |
| More than three months and up to six months                | 26,720,436         |
|                                                            | <b>83,706,632</b>  |
| <b>Debt</b>                                                |                    |
| Without any established term <sup>(2)</sup>                | 270,411            |
| Due                                                        |                    |
| Within three months <sup>(4)</sup>                         | 130,900,164        |
| More than three months and up to six months <sup>(4)</sup> | 156,829,401        |
|                                                            | <b>287,999,976</b> |

(1) Bearing interest at floating rate.

(2) Non-interest bearing.

(3) Do not include equity interests in the amount of Ps. 228.5 million (see Note 4.3).

(4) Bearing interest at fixed rate.

(5) Includes Ps. 2.9 million which bears interest at a fixed rate, the remaining balance does not bear any interest.

## 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 and/or some of its subsidiaries may be forced to modify the price of their pay television subscription, a situation that could significantly affect the revenues of their core business. This creates a general framework of uncertainty over the businesses of Cablevisión and/or some of its subsidiaries that could significantly affect the recoverability of their relevant assets and Grupo Clarín S.A.'s assets related to its investment in Cablevisión. Notwithstanding the foregoing, as of the date of these financial statements, in accordance with the decision rendered on August 1, 2011 in re "LA CAPITAL CABLE S.A. v/ Ministry of Economy-Secretariat of Domestic Trade", the Federal Court of Appeals of the City of Mar del Plata has ordered the SCI to suspend the application of Resolution No. 50/10 with respect to all cable television licenses represented by the Argentine Cable Television

Association ("ATVC", for its Spanish acronym). Upon being served on the SCI and the Ministry of Economy on September 12, 2011, such decision became fully effective and may not be disregarded by the SCI. The National Government filed an appeal against the decision rendered by the Federal Court of Appeals of Mar del Plata to have the case brought before the Supreme Court. Such appeal was dismissed and so the National Government filed a direct appeal with the Supreme Court.

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

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

Cablevisión believes that Resolution No. 36/10 is illegal and arbitrary, since it is grounded on Resolution No. 50/2010, which is absolutely null and void. Since the application of Resolution No. 50/10 has been suspended, the application of Resolution No. 36/2011, which falls within the framework of the former, is also suspended.

The claim filed by Cablevisión seeking the nullification of Resolution No. 50/2010 is currently pending before the Federal

Administrative Court of First Instance No. 7 of the City of Buenos Aires. This claim was dismissed in view of the claim pending in the City of Mar del Plata.

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

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

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

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

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

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

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

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

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

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

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 the Company’s financial statements should be read in light of such uncertainty.

b. Pursuant to the Antitrust Law and to Broadcasting Law No. 22,285, the transactions carried out on September 26, 2006 that resulted in an increase in the indirect interest the Company held in Cablevisión to 60%, Cablevisión’s acquisition of 98.5% of Multicanal and 100% of Holding Teledigital, and

Multicanal’s acquisition of PRIMA (from PRIMA Internacional (now CMD)), required the authorization of the CNDC (validated by the SCI), and the COMFER. On October 4, 2006, the Company, Vistone, Fintech, VLG and Cablevisión, as purchasers, and AMI CV Holdings LLC, AMI Cable Holdings Ltd. and HMTF-LA Teledigital Cable Partners LP, as sellers, filed for the approval of the acquisition. After several requests for information, the SCI issued Resolution No. 257/07, with a prior opinion of the CNDC in favor of the approval of the above-mentioned transactions and after consulting the COMFER and the SECOM, which did not raise any objections. The Company was served notice in this respect on December 7, 2007. Such Resolution was appealed by five entities. As of the date of these financial statements, the CNDC has dismissed the five appeals filed against the above-mentioned resolution. Four of 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 National Court of Appeals on Federal Civil and Commercial Matters revoking a decision rendered by the CNDC on September 13, 2007, whereby such agency had dismissed a claim filed by Gigacable S.A. prior to the December 7, 2007 decision referred to above. The Court of Appeals revoked CNDC’s decision only with respect to matters relating to the conduct of Cablevisión and Multicanal prior to CNDC’s authorization of the transactions on December 7, 2007, and ordered an investigation to determine whether a fine should be imposed on Cablevisión and Multicanal due to such conduct. As of the date of these financial statements, Cablevisión has filed its response, which is pending analysis by such agency.

c. On December 15, 2008, the shareholders of Cablevisión approved the merger of Multicanal, Delta Cable S.A., Holding Teledigital, Teledigital, Televisora La Plata Sociedad Anónima, Pampa TV S.A., Construed S.A. and Cablepost S.A. into Cablevisión, whereby, effective as of October 1, 2008, Cablevisión, as

surviving company, became the universal successor to all of the assets, rights and obligations of the merged companies.

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

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

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

Subsequently, on March 9, 2011, the Supreme Court of Argentina in re "MULTICANAL and Other v./ CONADECO - Decree 527/05 and

other on/Proceeding leading to a declaratory judgment", granted the appeal by right and the extraordinary appeal filed by the National Government and revoked the decision rendered by Chamber No. 3 of the National Court of Appeals on Federal Administrative Matters, which had confirmed the preliminary injunction requested by Cablevisión in the first instance. Notwithstanding the foregoing, Cablevisión believes that this matter does not have a material impact on the merits of the case.

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

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

On December 17, 2009, the National Court of Appeals on Federal Commercial-Criminal Matters, Chamber A, decided to suspend the term to appeal Resolution No. 1,011/09 until the main case was transferred back to the



CNDC, considering it had been in such court since December 16, 2009.

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

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

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

On March 3, 2010, the Argentine Ministry of Economy and Public Finance issued Resolution No. 113 (subscribed by the Minister of Economy, Dr Amado Boudou) rejecting the request for the nullification of Resolution No. 1,011/09, the requests for abstention and excusation of certain officials, and all the evidence produced in connection with such request for nullification. The voluntary undertakings made by Cablevisión under Resolution No. 257/07 were deemed unfulfilled, thus declaring the rescission of the authorization granted under such resolution. The parties

involved were ordered to take all necessary actions to comply with such rescission within a term of six months, and to inform the CNDC about the progress made in that respect on a monthly basis. Such resolution was appealed in due time and form. The appeal was granted without staying the execution of judgment.

The appeal is currently pending before Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters in re “AMI CABLE HOLDING and other on/ Appeal of the National Antitrust Commission Resolution”.

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

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

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

The National Government - Ministry of Economy filed an appeal to have the case brought before the Supreme Court, which was substantiated in February 2016. Chamber No. 2 shall decide on the admissibility of that appeal and decide whether it will or will not submit the case to the Supreme Court of Argentina.

Cablevisión believes that it has strong arguments in its favor to have the decision revoked. 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 the Company's financial statements should be read in light of such uncertainty.

d. 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 10.1.c and Note 11.4.4).

e. 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 believed it had strong arguments in its favor. The file was assigned No. 1281 and submitted to Chamber No. 2 of the National 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 National Court of Appeals on Federal 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 Court of Appeals dismissed the appeal filed by Cablevisión, and imposed court costs on Cablevisión.

On December 20, 2012 Cablevisión filed an appeal against the above-mentioned dismissal since it believed it had sufficient grounds to have the fine revoked. However, Cablevisión cannot assure that the outcome of the appeal will be favorable.

On July 29, 2013 Cablevisión settled the fine in the amount of Ps. 2.2 million and its compliance was recorded in the file.

f. 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 requesting that its defenses be sustained and all charges dismissed. On February 6, 2014 Cablevisión submitted the legal brief for the purpose of discussing the evidence submitted under File No. 171/2012. Now the CNV's Board of Directors has to render its decision. 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 to Cablevisión.

g. 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 the events that motivated the proceedings (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 legal brief on the evidence has been submitted. 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.

h. 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 the two affected companies with which a subsidiary of Cablevisión has contractual arrangements in place. Consequently, on March 23, 2012 the 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. This motion to suspend the execution of the challenged resolution was brought as a separate case, and progressed through the corresponding instances. The Office of the Attorney General for Administrative Litigation Matters, in its opinion No. 412/013 advised the Court on Administrative Litigation Matters to grant the motion to suspend the execution of the challenged resolution for formal reasons, but the Court dismissed the motion of suspension. Notwithstanding the foregoing, as of the date of these financial statements, the government authority has not yet enforced the decree.

On September 30, 2014, the Court on Administrative Litigation Matters through its decisions No. 416/2014 and No. 446/2014 revoked for formal reasons Decrees No. 73/012 and No. 231/011, respectively.

On March 9, 2015, Decree No. 82/015 was published in the Official Gazette, whereby the Executive Branch 1) repealed Decree No. 73/012; 2) 16 common stations are awarded to be held in common (the same stations) by BERSABEL S.A. and VISION SATELITAL S.A. for a term of 15 years: Two of the 16 stations are awarded on a secondary basis, which means that they may be exposed to interferences and they do not have the right to bring any claim in connection thereto; 3) use of existing stations must cease within 18 months of their award to mobile service operators; 4) both companies are expressly authorized to increase the number of TV signals (stations) included in their respective services making use of digitization techniques; 5) both companies shall submit before the Communication Services Regulatory Agency ("URSEC", for its Spanish acronym), within a fixed term of 60 calendar days as from the date of publication of the Decree, a technical plan for the migration and release of stations, which plan shall be assessed and approved by such agency (such plan was submitted on May 7, 2015); 6) the Bidding Terms governing the bid for frequency bands that were owned by both companies shall include an economic compensation mechanism for both companies to cover the expenses incurred in adapting their systems to the new stations awarded to them, in the amount of USD 7,000,000.

Even though both companies' request for the annulment of Decree No. 153/012 was granted for formal reasons (failure to serve prior notice) by the Court on Administrative Litigation Matters (decision 455 of June 11, 2015), this decision does not change prior considerations about the terms of Decree No. 82/015 with respect to both companies due to the fact that Decree No. 305/015 (which substituted Decree No. 153/012) confirmed the allocation of channels 21 through 36 (512 MHz - 608 MHz) and 38 through 41 (614 MHz - 638 MHz), of 6 MHz each, in the UHF band exclusively for rendering accessible, free, digital broadcast television services all over the country, except for channels 35 (596-602 MHz), 36 (602-608 MHz) and 38 through 41 (614-638 MHz) only in the geographic area for which BERSABEL S.A. and VISION SATELITAL S.A. had received authorization, which will be used solely for rendering television services to subscribers through the codified UHF system, as it had been previously and expressly stated in Section 5 of Decree No. 82/015 (which repealed and amended the language of Section 1 of the above-mentioned Decree No. 153/012).

i. On June 4, 2012, the Federal Court of Appeals of Rosario partially confirmed SCI Resolution No. 219/2010, whereby the Secretariat 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, which are still pending before that Court of Appeals. On October 21, 2014, the Argentine Supreme Court dismissed the appeals; therefore, Resolution No. 219/10 became final.

The case is currently pending with the Court of Appeals of Rosario, 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.

j. On March 1, 2011, the SCI served notice to Multicanal and Cablevisión of Resolution No. 19/11 whereby the Secretariat 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.

k. 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.

l. On January 22, 2010, Cablevisión was served notice of CNDC Resolution No. 8/10 issued within the framework of file No. 0021390/2010 entitled "Official Investigation of Cable Television Subscriptions (C1321)". Pursuant to this 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 compliance with all required notices is certified in the records of the case. As established by that Resolution, companies that 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 refund to its subscribers in the March 2012 invoices the amount of any price increase made after the date of CNDC Resolution No. 8/10.

Cablevisión appealed both resolutions in due time and form and their effects were suspended by an injunction issued by Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters at the request of Cablevisión. The National Government filed an appeal with the Supreme Court against this decision, and the appeal has been dismissed.

On October 4, 2011, Chamber No. 2 of the National Court of Appeals on Federal Civil and Commercial Matters granted the appeal filed against both decisions in re “Cablevisión and Other on Appeal against the Decision rendered by the National Antitrust Commission” (File 1,473/2010), declaring Resolution No. 8/10 moot and nullifying Resolution No. 13/10.

The National Government filed an appeal with the Supreme Court of Argentina against the decision rendered by Chamber No. 2, which was granted and is now pending before the Supreme Court of Argentina.

m. 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.

n. 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 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. The claimant has abandoned the claim it had brought, and the claimant’s attorney must provide evidence of his attorney powers.

o. 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.

p. 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 television services/wrongful information provided by Customer Service, which 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 was sent by the National Administration of Domestic Trade to the National Court of Appeals on Federal

Administrative Matters. It is now pending before Chamber No. 1 in re “Cablevisión SA v. DNCI Res. 308/12 and Other” (File 140/13). A decision has not been rendered yet.

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.

q. On July 5, 2013, the National Administration of Domestic Trade served notice to Cablevisión of Resolution No. 134/2013, whereby it imposed a fine of Ps. 500,000 for breach of Section 2 of Resolution ex S.I.C. y M. No. 789/98, which regulates the Business Loyalty Law No. 22,802. Cablevisión appealed that resolution on July 16, 2013. The administrative file was sent by the National Administration of Domestic Trade to the National Court of Appeals on Federal Administrative Matters. It is now pending before Chamber No. 3 in re “Cablevisión SA v. DNCI Res. 134/13 and Other” (File 36044/13). On May 20, 2014, Chamber No. 3 partially granted the appeal filed by Cablevisión and reduced the fine to Ps. 300,000 and ordered that each party shall bear its own legal costs. On June 9, 2014, Cablevisión filed an appeal with the Argentine Supreme Court. On September 18, 2014, Cablevisión was served notice of the extraordinary appeal filed by the National Government, and on October 2, 2014 that company filed a response. On October 9, 2014, the Chamber dismissed both appeals.

On October 08, 2010, the National Administration of Domestic Trade served notice to Cablevisión of Resolution No. 697/2010, whereby it imposed a fine of Ps. 500,000 for breach of Section 21 of the Business Loyalty Law No. 22,802. Cablevisión appealed that resolution on October 26, 2010. The administrative file was sent by the National Administration of Domestic Trade to the National Court of Appeals on Federal Administrative Matters. It is now pending before Chamber No. 3 in re “Cablevisión SA v. DNCI Res. 697/2010 (File S01:80822/10) and Other” (File 1,277/2011). On December 29, 2011 the Court of Appeals dismissed the appeal filed by Cablevisión, and imposed court costs on Cablevisión. On February 22, 2012, Cablevisión filed an appeal with the Argentine

Supreme Court. The appeal was dismissed by the Chamber on April 10, 2012. On April 26, 2012, Cablevisión filed an appeal against the above-mentioned dismissal. The Supreme Court of Argentina granted the appeal and revoked the decision against which Cablevisión had filed the appeal with legal costs to be borne by the National Administration of Domestic Trade, and ordered that the case be sent back to the court of first instance for it to render a new decision based on the precedent indicated in its ruling.

r. On March 16, 2012, CNV issued Resolution No. 16,765 whereby it ordered the initiation of summary proceedings against Cablevisión, its directors and members of the Supervisory Committee 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 Decision rendered by the Supreme Court of Argentina in re “Application for judicial review brought by the National Government Ministry of Economy and Production of the case Multicanal S.A. and other v/CONADECO Decree No. 527/05” and other, and also considers that Cablevisión did not disclose certain issues related to the information required by the CNV in connection with its Class 1 and 2 Noteholders’ Extraordinary Meetings held on April 23, 2010. On April 04, 2012, that company filed a response requesting that its defenses be sustained and that all charges against it be dismissed. The discovery stage has been closed. The legal brief has already been submitted. Cablevisión and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, Cablevisión cannot assure that the outcome of the summary proceedings will be favorable.

s. On August 28, 2015, Cablevisión was served notice of Resolution No. 17,769 dated August 13, 2015 whereby the CNV 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 delay in the submission of the required documentation. The CNV considers that Cablevisión failed to comply with effective regulations because it filed certain documentation outside the regulatory term set by CNV rules (T.R. 2013, as amended).

Cablevisión, as well as its directors, members of the Supervisory Committee and Head of Market Relations filed a response in due time and form requesting 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 to Cablevisión. On January 20, 2016, the preliminary hearing was held pursuant to Section 138 of Law No. 26,831 and Article 8, Subsection b.1. of Section II, Chapter II, Title XIII of the Regulations (T.R. 2013).

#### **10.2 Claims and Disputes with Governmental Agencies**

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

On the same date, the Company was served with a claim brought by Argentina's National Social Security Administration requesting the nullity of the decision made on point 7 (Appropriation of Retained Earnings) of the agenda of the Annual Ordinary Shareholders' Meeting held on April 22, 2010. As of the date of these financial statements, the Company has duly answered the complaint and the intervening judge has ordered discovery proceedings.

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

On July 12, 2013 the Company was served notice of Resolution No. 17,131; dated as of July 11, 2013 whereby the CNV declared that the

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

In August 2013 the Company was served with a nullification claim brought by Argentina's National Social Security Administration relating to the Annual Ordinary Shareholders' Meeting held on April 28, 2011 whereby it requested the nullity of all the decisions made at such meeting and, as a default argument, the nullity of the decisions made on points 2, 4 and 7 of that meeting's agenda, as well as the nullity of the decisions made at the Extraordinary Meetings of Class A, B and A and B Shareholders. As of the date of these financial statements, the Company has filed a response in due time and form.

On September 17, 2013 the Company was served with a nullification claim brought by Argentina's National Social Security Administration relating to the Annual Ordinary Shareholders' Meeting held on April 26, 2012 whereby it requested the nullity of all the decisions made at such meeting and, as a default argument, the nullity of the decisions made on points 8 and 4 of that meeting's agenda, as well as the nullity of the decisions made at the Extraordinary Meetings of Class A, B and A and B Shareholders. As of the date of these financial statements, the Company has filed a response in due time and form.

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

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

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

b. The Argentine Federal Revenue Service ("AFIP") served the subsidiary CIMECO with a notice challenging its income tax assessment for fiscal years 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, 2015 would amount to approximately Ps. 12.3 million for taxes and Ps. 38.2 million for 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 years 2003 through 2007 and ordering the initiation of summary proceedings. The AFIP's assessment shows a difference in its favor in the Income Tax liability for the periods indicated above 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 years 2003 through 2007, in which it applied the same method for the calculation as 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. 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 years 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 would correspond 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 that agency seeks to annul the registration with the Public Registry of Commerce of the appointment of GC Dominio S.A.'s authorities, approved at the Shareholders' Meeting held on May 17, 2011. The claim is pending before the Federal Court of First Instance on Commercial Matters No. 25, Clerk's Office No. 49 ("Inspección General de Justicia v. Dominio S.A. on/Ordinary", File No. 58652). The claim brought by the IGJ seeks to annul the registration with IGJ of the appointment of GC Dominio S.A.'s authorities, approved at the Annual 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 issued an injunction in favor of the IGJ ordering that the existence of this claim be duly noted. The Court of Appeals has confirmed the decision to order that the existence of this claim be duly noted.

GC Dominio S.A.'s legal advisors have strong grounds to argue that the resolution of IGJ's claim seeking the de-registration of the appointment of authorities has serious defects and infringes the guarantees of reasonableness and due process; a principle that derives from the constitutional guarantee of defense in court,

which entails the right to be heard and to produce evidence to contradict a claim. GC Dominio S.A. has appealed such injunction because it considers that the IGJ has not shown that its legal arguments are, at least, plausible.

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. The FIU is acting as plaintiff in this case. One of the Company's directors made a spontaneous appearance and filed a response and produced documentary evidence. Certain charges pressed by Representative Di Tullio were also added to the case. In addition, the Prosecutor requested that the charges be investigated and that certain evidentiary measures be taken which have not yet been fulfilled as of the date of these financial statements.

In March 2014, the intervening prosecutor Miguel Angel Osorio broadened the request for evidence with regard to intercompany movements between Cablevisión and certain subsidiaries, all of which were regular and had been duly recorded.

The Company and its legal advisors consider that there are strong arguments in the Company's favor, and have gathered evidence that supports the lack of involvement of anyone in any such unlawful 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. The subsidiary AGEA received several inspections from the AFIP aimed at verifying compliance with the so-called competitiveness plans implemented by the National Executive Branch. After several reports issued by the AFIP and the corresponding Resolutions issued by the Ministry of Economy, such agencies allege that certain acts performed by AGEA during 2002 lead to the nullity of some of the benefits granted under said plans, including adjustments, for an estimated total amount of Ps. 61 million. In April 2013, AGEA was served with AFIP Resolution No. 03/13, whereby such agency decided to exclude AGEA from the Registry of Beneficiaries of the Competitiveness and Employment Generation Agreements under the Cultural Sector Agreement, as from March 4, 2002. The AFIP ordered the restatement of the tax returns and the remittance of the corresponding amounts. AGEA filed an appeal against such resolution. Notwithstanding the foregoing, in re “AEDBA and Other v. Ministry of Economy Resolution No. 58/10”, the Federal Court on Administrative Matters No. 6 issued an injunction ordering AFIP to refrain from initiating and/or continuing with the administrative proceeding/s and/or any act that would entail the enforcement of the amounts payable under Resolution No. 3/13, until a final decision is rendered. Notwithstanding the foregoing, AGEA cannot assure that the appeal will be resolved in its favor.

h. On April 9, 2013, Cablevisión was served notice of AFIP Resolution No. 45/13 dated April 3, 2013, whereby such agency imposed penalties in a summary proceeding against that company with respect to compliance with General Resolution No. 3,260/12. Cablevisión filed an appeal, which has staying effects on the execution of those penalties.

i. Pursuant to Resolution No. 17,522 issued on September 18, 2014 and notified to AGEA on September 24, 2014, the Board of Directors of the CNV decided to initiate summary proceedings against AGEA, certain current and past members of its Board of Directors and supervisory commission -who occupied those positions between September 19, 2008 and the

present date- and against that company's Head of Market Relations, for an alleged failure to comply with the duty to inform that AGEA was a co-defendant in re “CONSUMIDORES FINANCIEROS ASOCIACION CIVIL PARA SU DEFENSA AND OTHER V. GRUPO CLARIN S.A. AND OTHER on EXPEDITED SUMMARY PROCEEDING” (File No. 065441/08). The summary proceeding is grounded on an alleged failure to comply with Article 5, subsection a), the first part of Article 6 and Article 8, subsection a) part V) of the Annex to Decree No. 677/01; with Articles 1, 2 and 3, subsection 9) of Chapter XXI of the REGULATIONS (T.R. 2001 as amended) -now Article 1 of Section I, Chapter I, Title XII of the REGULATIONS (T.R. 2013 as amended); with Articles 2 and 3 subsection 9) of Section II, Chapter I, Title XII of the REGULATIONS (T.R. 2013 as amended); with Article 11 subsection a.12) of Chapter XXVI of the REGULATIONS (T.R. 2001 as amended) -now Article 11 subsection 13) of Section IV, Chapter I, Title XV of the REGULATIONS (T.R. 2013 as amended); with Article 99 and 100 of Law No. 26,831; and with Articles 59 and 294 subsection 9) of Law No. 19,550. AGEA, and 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. On February 11, 2015, the preliminary hearing was held pursuant to Article 8, subsection b.1.), Title XIII, Chapter II, Section II of the Regulations (T.R. 2013, as amended). On August 19, 2015, the company submitted the legal brief for the discovery stage.

j. On February 27, 2013, the AFIP served IESA with a notice stating the income tax and value added tax charges assessed for fiscal period 2008 and ordering the initiation of summary proceedings for alleged omitted taxes. The AFIP mainly challenged the deduction of certain expenses and fees, as well as the calculation of the corresponding tax credit. IESA filed an appeal in connection thereto, which is currently pending before the National Tax Court. The official assessment amounts to Ps. 1.4 million for income tax and Ps. 3 million for late-payment interest, calculated as of December 31, 2015.

The official value-added tax assessment amounts to Ps. 0.8 million for tax differences and Ps. 1.8

million for late-payment interest, calculated as of December 31, 2015.

On October 21, the AFIP served IESA with a notice stating the income tax and value added tax charges assessed for fiscal period 2009 and ordered the initiation of summary proceedings for alleged omitted taxes. In this case, the AFIP mainly challenged the deduction of fees, as well as the calculation of the corresponding tax credit. IESA filed an appeal in connection thereto, which is currently pending before the National Tax Court. The official assessment amounts to Ps. 1.2 million for income tax and Ps. 2.4 million for late-payment interest, calculated as of December 31, 2015.

The official value-added tax assessment amounts to Ps. 0.4 million for tax differences and Ps. 1.1 million for late-payment interest, calculated as of December 31, 2015.

IESA and its legal and tax advisors believe that it has strong arguments in its favor to defend the criterion adopted in its tax returns.

### **10.3 Other Claims and Disputes**

a. On June 22, 2007, TSC executed several documents with AFA, applicable from the 2007/2008 until the 2013/2014 soccer seasons, whereby TSC held all the broadcasting rights for ten of the Argentine soccer first division official tournament matches played each week.

On August 13, 2009 AFA notified TSC of its decision to terminate unilaterally the above-mentioned agreement. TSC 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 before a commercial court for contractual breach and damages.

AFA summoned the National Government as a third party, and the National Government was incorporated to the proceedings. The National Government requested that the case be submitted to the Court on Federal Administrative Matters. The request was dismissed by the Commercial Court of Appeals, which ratified the jurisdiction of the Commercial Court.

The National Government filed an appeal in connection with the jurisdictional conflict with

the Supreme Court of Argentina, which dismissed the appeal and ordered that the file be submitted to the Court of First Instance for the initiation of discovery proceedings.

b. On January 31, 2012, FADRA informed Grupo Carburando's subsidiary Mundo Show S.A. of 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. In light of the events, 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, in 2012 an allowance was set up for impairment of goodwill and other assets related to such agreement of approximately Ps. 17 million. On July 17, 2013, some of the Company's subsidiaries executed an agreement in order to settle the legal actions brought as a consequence of the termination of TV broadcasting rights and sponsorship agreements relating to the Turismo Carretera and TC Pista road racing events, whereby FADRA undertook to pay damages for an aggregate and final amount of Ps. 16.5 million in 23 monthly and consecutive installments. In addition, it assigned all of its equity interest in TCM, which represents 20% of its capital stock and votes. The parties also settled the claims brought against FADRA in re "Mundo Show v. FADRA on pending cash collection, File No. 10041/2012", whereby FADRA paid Ps. 1.5 million in exchange for the dismissal of the legal actions.

c. 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 that, 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.

d. 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.

e. On April 25, 2013 Grupo Clarín S.A. held its Annual Ordinary Shareholders' Meeting. As a result of the issues raised at this Meeting, some of the permanent directors informed the Company that they had pressed criminal charges against the representatives of the shareholder ANSES and of the CNV (Messrs. Reposo, Kicillof, Moreno, Vanoli, Fardi and Helman) for making statements and intellectual constructions which, under the appearance of being included in the new regulations of the Argentine Capital Markets Law, only sought to discredit the Board of Directors and caricature its management, creating pretexts that may lead to an intervention of the Company without judicial control pursuant to the new powers vested on the CNV by Capital Markets Law No. 26,831. On April 26, 2013, the Board of Directors decided to press charges on the same grounds.

Consequently, the Company sent a letter to the CNV, in which it clearly stated that what had happened at that Meeting could not be considered in any way as an acknowledgment of the legitimacy of the powers vested on the CNV by Law No. 26,831 and/or the regulations that may be issued in the future. The letter also stated that the Company reserved its right to file the pertinent legal actions at any time to request the declaration of the evident unconstitutionality of that law. It also requested the CNV to refrain from performing any act or issuing any resolution that would lead to the execution

of the plan of which they had been accused before the courts.

f. On May 30, 2013, Pem S.A. was served notice of a claim in re "TELEVISORA PRIVADA DEL OESTE S.A. v. GRUPO CLARÍN S.A. AND OTHERS on ORDINARY" File No. 99078/2011, which is pending before the Federal Commercial Court No. 16 of First Instance, Clerk's Office No. 32. The claim seeks damages resulting from certain decisions made with respect to Televisora Privada del Oeste S.A. Cablevisión and the Company, among others, are defendants in such lawsuit. Cablevisión was served with the claim and filed a response in due time and form. Notice of the claim is being served on the other co-defendants. According to the Company's legal advisors, the chances of success of the claim are low because the damages claimed are clearly overstated, the actual damage invoked does not exist and the claim is procedurally inappropriate, on both a factual and legal basis. Pem S.A. filed a response and, to date, the judge has not ordered discovery proceedings yet because the claim has not been served on the other defendants. In view of the level of conflict that has arisen among the parties and the length of time it is taking to reach a solution, Cablevisión cannot ascertain the outcome of this claim.

g. In March 2012, ARTEAR brought a summary action for the protection of constitutional rights against the National Government (Chief of the Cabinet of Ministers and Secretariat of Public Communication) and against Messrs. Juan Manuel Abal Medina and Alfredo Scoccimarro, in order to request that the National Government cease in the arbitrary and discriminatory allocation of official advertising with respect to Arte Radiotelevisivo Argentino S.A. ARTEAR requested (i) that the court order the maintenance of a balanced allocation with respect to the amount of official advertising received in previous years, and in particular prior to 2008, and with respect to the amount of official advertising allocated to other broadcasters of similar characteristics, and (ii) that the conduct of the above-mentioned officials be declared illegitimate, on account of their having abusively exercised their discretionary power to manage public funds destined to official advertising, discriminating against Canal 13, which is owned by ARTEAR.

On February 11, 2014, the Supreme Court of Argentina decided in re “Arte Radiotelevisivo Argentino S.A. v. National Government - Chief of the Cabinet of Ministers and Media Secretariat on summary action for the protection of constitutional rights (acción de amparo) Law No. 16,980” to confirm the decision rendered in that respect by Chamber No. 4 of the National Court of Appeals on Federal Administrative Matters. This Court admitted the summary action brought by ARTEAR and ordered the National Government to provide for the drafting and submission to the first instance court of a scheme for the allocation of official advertising that included the broadcasters with characteristics analogous to those of ARTEAR. Among those broadcasters, the Court of Appeals included América TV S.A. (Canal 2), Telearte S.A. (Canal 9), Televisión Federal S.A. (Canal 11), ARTEAR (Canal 13) and SNMP S.A. and RTA S.E. (Canal 7). The allocation scheme must faithfully conform to the guidelines of proportionality and equity set forth in the ruling. The term for submitting the allocation scheme was set at thirty days after that decision became final. As of the date of these financial statements, ARTEAR brought two claims for non-compliance with that decision before the National Court of First Instance on Federal Administrative Matters No. 12, Clerk’s Office No. 23. ARTEAR obtained a favorable decision and, as of the date of these financial statements, the Court of Appeals is reviewing the judge’s decision and considering ARTEAR’s request that fines be imposed on the defendant for not complying with the Supreme Court’s decision.

After ARTEAR had filed several complaints denouncing non-compliance with the decision rendered by the Supreme Court, the judge of the National Court of First Instance on Federal Administrative Matters No. 12, Clerk’s Office No. 23 admitted these complaints in June 2015. The judge held that the defendant had not complied with the Supreme Court’s decision and ordered that it begin to comply going forward.

h. The claimants representing media companies in re “AEDBA and Other v. National Government - Decree No. 746/03 - AFIP on Incidental Procedure” pending before the Court on Federal Administrative Matters No. 4 requested that media companies represented by the claimants be granted the right to have a differential VAT regime as undertaken by the

National Government under Decree No. 746/03 and the rules and regulations issued in connection thereto.

On October 30, 2003, a preliminary injunction was issued in connection with the above-mentioned file, ordering the National Government to maintain the effectiveness of the benefit granted under Decree No. 746/03. The National Government filed an appeal against that decision and on November 6, 2008, the Court of Appeals granted the request to have the injunction revoked, among other things. On November 27, 2008, the claimants filed an appeal with the Supreme Court of Argentina requesting the suspension of the enforcement of such ruling.

On October 28, 2014, the Supreme Court of Argentina issued a ruling in connection with the above-mentioned file, whereby it declared the appeal formally admissible and thus confirmed the effectiveness of the above-mentioned preliminary injunction. In the recitals of its ruling, the Supreme Court stated that: (i) as of the date of the decision, the Executive Branch had not yet established any regime to replace the so-called competitiveness and employment generation agreements; (ii) the differential VAT regime provided under Law No. 26,982 was only applicable to small media companies, not to all media companies; (iii) the tax policy must not be biased and cannot be used as a way to curtail freedom of speech; (iv) the alternative solution that had to be sought ruled out, as a matter of principle, the application of the general regime; (v) even though the merits have not been decided upon (differential VAT regime), the injunction that had been issued in connection thereof shall remain effective until such a solution to the matter is reached; (vi) the legal entities that met the obligations within the scope of the injunction shall not be deemed delinquent; and (vii) the judge of the first instance court shall render an urgent decision on the merits.

On December 10, 2014, the Federal Court on Administrative Matters No. 4 rendered a decision on the merits in re AEDBA and other v. National Government Decree No. 746/03 and other on Proceeding leading to a declaratory judgment” ordering, among other things, that: The claimants (media companies) have the standing to sue; that the judge cannot legislate

because only the Legislative Branch is empowered to do so; that, pursuant to the enactment of Law No. 26,982, the obligation undertaken by the Executive branch has already been met since the differential VAT rates have already been set and, therefore, the claim is moot; that, based on the decision rendered by the Supreme Court of Argentina, the companies cannot be deemed delinquent.

Given the fact that the above-mentioned decision opposes and contradicts the grounds stated by the Supreme Court, the claimants (AEDBA, ARPA, ADIRA, as well as other associations) filed an appeal against the decision rendered by the above-mentioned court of first instance with the corresponding Court of Appeals. On October 1, 2015, Chamber II of the Court of Appeals on Federal Administrative Matters admitted the appeals filed by the claimants and revoked the decision rendered by the Court on Federal Administrative Matters No. 4, ordering that the effectiveness of the preliminary injunction be maintained and authorizing the calculation of employer's contributions as tax credit on VAT until the Executive Branch complies with the provisions of Decree No. 746/03.

On December 3, 2015, the Supreme Court of Argentina dismissed the appeal filed by the Executive Branch. Therefore, the decision rendered by the Court of Appeals became firm and final.

As a result of the foregoing, AGEA and some of its subsidiaries and Radio Mitre started to calculate employer's contributions as tax credit on VAT as from November 2014.

i. On October 3, 2014, ARTEAR and some of its subsidiaries submitted a request to join the Association of Argentine Private Broadcasters ("ARPA", for its Spanish acronym), which became effective as from June 2015. As a result of the above-mentioned incorporation, that company became eligible to enjoy the benefit, provided under Decree No. 746/03, of calculating employer's contributions as tax credit on VAT.

ARPA is a party to "Association of Newspaper Publishers of the City of Buenos Aires (AEDBA, for its Spanish acronym) and other -ADIRA, AAER, ATA AND ARPA- v. National

Government - Decree No. 746/03 - AFIP on Autonomous Preliminary Injunction", in respect of which the Supreme Court of Argentina rendered a decision on October 28, 2014. These associations had requested a preliminary injunction ordering the Executive Branch to maintain the effectiveness of the benefit of calculating employer's contributions as tax credit on VAT, pursuant to Decree No. 746/03, for the companies that belong to these associations, or else, as a default argument, ordering the AFIP to refrain from claiming payment on the corresponding taxes. In addition, the Court confirmed the decision on the extended preliminary injunction stating that, notwithstanding the decision, the claimants shall not be deemed delinquent within the framework of the preliminary injunction. On October 1, 2015, Chamber II of the Court of Appeals on Federal Administrative Matters admitted the appeals filed by the claimants and revoked the decision rendered by the Court on Federal Administrative Matters No. 4, ordering that the effectiveness of the preliminary injunction be maintained and authorizing the calculation of employer's contributions as tax credit on VAT until the Executive Branch complies with the provisions of Decree No. 746/03.

On December 3, 2015, the Supreme Court of Argentina dismissed the appeal filed by the Executive Branch. Therefore, the decision rendered by the Court of Appeals became firm and final.

As a result of the foregoing, ARTEAR and some of its subsidiaries started to calculate employer's contributions as tax credit on VAT as from July 2015.

j. Cablevisión, together with its merged companies and ATVC, brought a claim requesting the Judicial Branch, through a final decision rendered in a contradictory trial, to declare: 1) that the National Government undertook the obligation to provide an alternative solution to the repeal of the regime established under Section 52 of Decree No. 1,387/01 for companies that render supplementary broadcasting services and cable television services, which shall contemplate the reasons for excluding these companies from the repeal of Decree No. 1,387/01 through Decree No. 746/03, and 2) that while the Government considers the situation of those companies to

find such an alternative solution, it shall maintain the effectiveness of the regime established under Section 52 of Decree No. 1,387/01 (cfr. fs.2/12).

On October 1, 2015, Chamber II of the Court of Appeals on Federal Administrative Matters, in a single joint decision in re “AEDBA and other v. National Government - Decree No. 746/03 - AFIP on Incidental Procedure”, decided that, among other things, even though ATVC was not among the claimants that had been granted an injunction in the other two related cases, as mentioned above, the situation was also applicable to other associations in that sector, therefore, the decision shall also apply to this association. Under these conditions, the claims brought by the claimants shall be admitted - in the joinder of the three claims - and the claimants and the companies represented by them are entitled to have a differential VAT regime applicable to the sectors involved which shall be created, enforced and regulated by the authorities duly empowered by the Constitution to such end. This regime shall guarantee the full exercise of the rights recognized under Section 14 of the National Constitution, as well as the maintenance of the exception provided under Section 2 of Decree N° 746/03 from the repeal of Section 52 of Decree No. 1,387/01. On December 3, 2015, the Supreme Court of Argentina dismissed the appeal filed by the Executive Branch. Therefore, the decision rendered by the Court of Appeals became firm and final.

As a consequence, Cablevisión and its subsidiaries started to calculate employer's contributions as tax credit on VAT as from September 2015.

#### **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.

On March 26, 2014, the Supreme Court of Argentina dismissed the appeal that had been filed by the CNV. Therefore, the decision rendered by the Court of Appeals that nullified Resolution No. 16,222 became final, with full force and effect. Also on the same date, the Supreme Court of Argentina dismissed the appeals brought by CNV and the National

Government. Therefore, the decision rendered by the Court of Appeals that revoked the corporate intervention of Papel Prensa became final, with full force and effect.

None of the claims mentioned in the above paragraphs had a material effect on AGEA's financial and economic condition as of December 31, 2015.

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. On June 2, 2015, the dismissal of the claim brought by Papel Prensa against the constitutionality of Resolution No. 1/2010 became final. The court held that the claim became moot upon the enactment of Law No. 26,736. The Company understands that the substantive claim is now subject to the outcome of the claim brought by Papel Prensa against the constitutionality of Law No. 26,736, currently pending before the Federal Civil and Commercial Court.

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 at the 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 that was approved by the Board of Papel Prensa 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 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 1st, 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 occurs first. In view of the decisions rendered in this case, the substantive claim, in this aspect, is now subject to the outcome of the claim brought by Papel Prensa against the constitutionality of Law No. 26,736. With respect to related parties, the Board of Directors of Papel Prensa approved the same sales policy and conditions as those approved for the other customers in general.

In a meeting held on December 27, 2011, the Board of Directors of Papel Prensa decided to maintain for 2012 the same sales policy 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), which was maintained in subsequent years and, to date, no changes have been introduced.

The commercial policy approved by Papel Prensa was affected by Law 26,736 -effective as from January 5, 2012- which declared that the production, sale and distribution of wood pulp and newsprint were matters of public interest 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 with 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 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.

On June 12, 2014, the Court of Appeals decided to postpone rendering a decision on the appeals

filed until the court-convened shareholders' meeting that began on August 29, 2012 had been resumed and closed, ordering Judge O'Reilly to decide on the pending issues and to order the shareholders to resume that meeting. On December 4, 2014, the Judge called Papel Prensa, the CNV, and the shareholders of AGEA, the National Government, SA La Nación and CIMECO to a hearing to be held on May 6, 2015, in order to proceed as ordered by the Court of Appeals. In light of the above, the new date for resuming that meeting may not be set until Judge O'Reilly has complied with the decision rendered by the Court of Appeals.

On April 29, 2015, the Judge suspended the hearing that was to be held on May 6, 2015 because the National Government failed to answer the notice served by the Judge requesting a statement identifying the officials that would attend the hearing with sufficient powers to reach a settlement pursuant to Decree No. 411/80 (T.R. Decree No. 1,265/87, as amended). The Judge set a new date for the hearing to be held on April 14, 2016. In view of the above, the date for resuming such meeting is subject to the outcome of that hearing.

V. On June 6, 2013, the Board of Directors of the CNV issued CNV Resolution No. 17,102, within the framework of the Administrative File No. 1032/10, whereby it required that: (i) certain members of Papel Prensa's Supervisory Committee and statutory auditors be imposed a fine of Ps. 150,000 each; and (ii) Papel Prensa, certain members of its Board of Directors, one member of its Supervisory Committee and the members of its Oversight Board (all of them representatives of Papel Prensa's private shareholders) be imposed a joint and several fine of Ps. 800,000. Papel Prensa and its other current and former officers appealed the fine in due time and form. In the same appeal, they requested an injunction to change the effect of their appeal and suspend the application of the fine. On October 11, 2013, Chamber No. 5 of the Federal Court on Administrative Matters denied this request, which was considered unnecessary in the light of the settlement of the fine by the claimants, as informed below. Notwithstanding the above, on June 19, 2013, the Company asked the CNV to suspend the application of the fine until a decision was rendered by the Court of Appeals with respect to the injunction. The request was denied. On June

28, 2013, the fine was paid under protest in order to prevent its coercive enforcement by the CNV; given that, under the new Capital Markets Law No. 26,831, appeals may be admitted without suspension of judgment.

VI. 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.

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## Note 11

### Regulatory Framework

#### 11.1 Audiovisual Communication Services Law.

##### 11.1.1. Law No. 22,285.

The subsidiaries of Grupo Clarín that render audiovisual communication services are holders of licenses that were originally awarded under the regime established by Law No. 22,285. The COMFER was the enforcement authority established by that law. Under Law No. 22,285 audiovisual communication service companies in Argentina required a non-exclusive license from the COMFER in order to operate. Other approvals were also required, including, for some services, authorization by municipal agencies.

The multiple license regime established under Law No. 22,285 allowed licensees to hold at the national level up to twenty-four (24) sound or television broadcasting licenses and did not set any limits to the ownership of subscription television services located in several areas. At the local level, one individual or legal entity could have up to one sound broadcasting license, one television license and one subscription television license. In this last case, FM broadcasting services were not included in this limit if they were broadcast from the same station and location as the AM broadcasting services.

Broadcasting licenses were granted for an initial period of 15 years, allowing for a one-time extension of 10 years. The extension of the license was subject to the approval of the COMFER, which would determine whether or not the licensee had met the terms and conditions under which the license had been granted. Some of the licenses exploited by the subsidiaries, including the license that had been

originally granted to Cablevisión (with an extended term that originally expired on March 31, 2006), have already been extended for the above-mentioned 10-year term.

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

The subsidiaries of the Company that render audiovisual communication services had requested the COMFER's approval of several transactions, including several company reorganizations and share transfers of licensees. Those approvals, except for the approval of the merger of Cablevisión and its subsidiaries (see Note 11.4.2.), are still pending.

However, by declaring the Proposal submitted by Cablevisión formally admissible through Resolution No. 193/AFSCA/2014, the

Enforcement Authority recognized the direct and indirect ownership of the subscription television services mentioned in the Proposal (See Note 11.4.1.).

#### **11.1.2. Law No. 26,522**

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

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

The new law introduced, among other things,:

- A license award and review scheme that granted wide discretion to the Executive Branch,
- 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) restricted to 10 the number of Audiovisual Communication Service licenses, plus a single broadcasting signal for radio, broadcast TV and subscription cable TV services that made use of the radio spectrum; ii) restricted the licensing of subscription broadcasting services rendered by means of a physical link (cable), limiting the number of licenses to 24; iii) set forth a further restriction on these services, which could not be provided to more than 35% of all inhabitants or subscribers nationwide; iv) established that a broadcast TV signal and a cable TV signal could not be simultaneously exploited in the same location, and v) established that broadcast TV networks could only own one cable TV signal.

The same applied to cable TV networks, which could only own the so-called “local channel”, which was mandatory for every license

- Mandatory quotas for certain types of content.

Also controversially, the law imposed retroactive effects by requiring holders of current broadcasting licenses - which had been 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 were set in place.

The Executive Branch regulated most sections of the LSCA by means of Decree No. 1,225/2010. The most notably arbitrary provision of this decree is the highly discretionary mandatory divestiture system provided by the regulation of Section 50 of the Audiovisual Communication Services Law, with evident confiscatory effects.

Several concerns were expressed about this law, which was understood to have defects that rendered it unconstitutional; to damage seriously the development of the audiovisual industry and to restrict fundamental freedoms. Even though some claimants, including Grupo Clarín and its main subsidiaries, made court filings on that basis, which led to the provisional suspension with respect to Grupo Clarín and certain subsidiaries of Section 161 of the LSCA until a final decision was rendered, on October 29, 2013, the Company was served with a decision rendered by the Supreme Court of Argentina whereby it dismissed the unconstitutionality claim brought by the Company and certain subsidiaries, confirming the constitutionality of the challenged sections, and rejected the claim for damages as brought under the case file.

This Note should be read in conjunction with Note 9.3. “Decree No. N° 267/15”.

#### **11.2 Telecommunication Services.**

The regulatory framework of the Argentine telecommunications sector is undergoing a process of change. In December 2014, the Argentine Congress passed Law No. 27,078, known as the “Digital Argentina Act”, which partially repealed National Telecommunications Law No. 19,798. The new law subjects the effectiveness of Decree No. 764/00, which deregulated the telecommunications market, to

the enactment of four new sets of rules that will govern the License, Interconnection, Universal Service and Radio-electric Spectrum regimes.

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

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

The TIC Services registered with the Argentine Secretariat of Communications under the name of Cablevisión, its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses are the following: Data Transmission, Paging, Videoconference, Community Retransmission, Transport of Broadcast Signals, Value-Added, Radio-Electric Trunking, Internet Access, Public Telephony, Local Telephony and National and International Long-Distance Telephony. (See Note 11.4.6.).

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

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

telecommunication licenses to join the Trust Agreement.

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

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

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

Implementing regulations for Law No. 27,078 are still pending. Therefore, the economic and operational impact that the creation of this public service may have on Cablevisión, its merged companies and/or subsidiaries and related companies cannot be ascertained.

Decree No. 677/2015 established the mechanisms to set up the Enforcement Authority and some of the directors were appointed.

This Note should be read in conjunction with Note 9.3. "Decree No. N° 267/15".

### **11.3. Emergency Decree No. 267/15. Convergence.**

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

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

This is so, because the new Decree provides:

"Section 45. Multiplicity of Licenses. In order to guarantee the principles of diversity, plurality and respect for local affairs, individuals or legal entities may hold or have an interest in companies holding audiovisual communication service licenses, subject to the following limits:

1. At the national level:

a) ONE (1) audiovisual communication services license on satellite support. The ownership of a license for subscription satellite audiovisual communication services excludes the possibility of holding any other type of audiovisual communication services and TIC service licenses governed by Law No. 27,078;

b) Up to FIFTEEN (15) audiovisual communication services licenses in the case of television or sound broadcasting.

2. At the local level:

a) ONE (1) sound broadcasting license for amplitude modulation (AM);

b) ONE (1) sound broadcasting license for frequency modulation (FM) or up to TWO (2) licenses when there are more than EIGHT (8) licenses in the primary service area;

c) ONE (1) broadcast television license.

Under no circumstances may the aggregate number of the licenses granted in the same primary service area or set thereof with a high degree of overlapping exceed the number of FOUR (4) licenses."

The audiovisual communication services and/or registered titles owned by the companies in which the Company has a direct or indirect interest do not contravene the new limits regarding the multiplicity of licenses. In this sense, at the national level (Part 1 of Section 45), the Proposal submitted by the Company, which under the new legal regime became moot, evidences that the Company is not the holder by itself or through its subsidiaries and/or related companies of an audiovisual communication service license on satellite support (Subsection a Part 1). On the other hand, the Company has direct or indirect interests in companies that own 5 broadcast television services and 9 sound broadcast services; therefore, it also complies with the limit imposed under the new Subsection b) of the same Part. At the local level, the Company does not have interests in licensees of more than 4 audiovisual communication services in any locality. The localities where the Company indirectly holds, always in terms of indirect ownership, more services are the cities of Buenos Aires and Córdoba (the latter bears the same name as the province where it is located). In both cities it has one broadcast television channel, one AM broadcast service and one FM broadcast service, respectively.

Under the new regulatory framework, the licenses for physical link subscription television services and for radio-electric link subscription television services held by certain subsidiaries

that had been granted under Laws No. 22,285 and No. 26,522 are now called “Registrations” for the exploitation of physical link subscription television services and radio-electric link subscription television services of a Licencia Única Argentina Digital.

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

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

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

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

- i) These services no longer fall within the scope of Section 45 of the LSCA, which sets forth the new multiple license regime for Audiovisual Communication Services;
- ii) The registration of physical link subscription

television services is no longer limited to a specific territorial area. The same is not the case with radio-electric link subscription television services because of the portion of the spectrum allocated to render these services;

iii) Both registrations, for physical link subscription television services and for radio-electric link subscription television services, are no longer subject to expiration terms. However, the portions of the spectrum allocated to render radio-electric link subscription television services do have expiration terms. In this sense, the last subsection of Section 7 of the Emergency Decree which amends Section 10 of Law No. 27,078 provides that “the term for the use of radio electric spectrum frequencies by the holders of subscription television licenses allocated under Laws Nos. 22,285 and 26,522 shall be the one established in their original title or TEN (10) years counted as from January 1, 2016, whichever is longer in the case of licensees that had an effective license as of such date”.

However, it should be noted that pursuant to Section 21 of the Emergency Decree and until the enactment of a law that shall unify the fee regime provided under Laws Nos. 26,522 and 27,078, the physical link and radio-electric link subscription television services exploited by certain subsidiaries of the Company will continue to be solely subject to the fee regime provided under Law No. 26,522. They shall not be subject to the contribution of 1% of their revenues or to the payment of the Control, Oversight and Verification Fee provided under Sections 22 and 49 of Law No. 27,078. Pursuant to the Emergency Decree, the providers of the Basic Telephone Service whose licenses were granted under the terms of Decree No. 62/90 and paragraphs 1 and 2 of Section 5 of Decree No. 264/98, as well as Mobile Telephone Service providers with a license granted pursuant to the list of bidding conditions approved by Resolution No. 575/93 of the then Ministry of Economy and Public Works and Services and ratified by Decree No. 1,461/93, shall only be able to provide subscription broadcasting services by means of physical or radio-electric link after a term of two years counted as from January 1, 2016. That term may be extended for one more year.

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

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

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

As of the date of these financial statements, the Bicameral Standing Committee has reviewed and declared the validity of the Decree and submitted its opinion to the plenary session of each Chamber of Congress for its expedited treatment. Both chambers shall render a decision on the approval or rejection of the Emergency Decree. Pursuant to Section 17 of Law No. 26,122, the Decree has full force and effect until a decision has been rendered by both chambers. This Emergency Decree may only be repealed through the express rejection by both chambers of the Congress, without prejudice to the rights acquired during its effectiveness.

To date there are no judicial claims regarding the constitutionality of the Emergency Decree to which any of the companies of Grupo Clarín is a party.

#### **11.4. Matters related to the regulatory situation of the Company and certain subsidiaries.**

##### **11.4.1. Proposal to conform to the provisions of Law No. 26,522.**

On October 31, 2013, even before the deadline to enforce the decision rendered by the Supreme Court of Argentina in re “Grupo Clarín S.A. and Others v. National Executive Branch and other re: Merely Declarative Action” (File 119/10), the Company and some of its subsidiaries were again served with AFSCA Resolution No. 2276/2012 issued by the president of AFSCA on December 17, 2012 within the framework of File No. 1395-AFSCA/2012. Resolution No. 2276/2012 provided for an ex officio proceeding to conform the Company and some of its subsidiaries to the provisions of the Audiovisual Communication Services Law. The Company and its legal advisors believe that this resolution is absolutely null and void and have filed an appeal to have it revoked.

Faced with the de-facto proceedings that sought to dispossess the Company of its licenses and assets through an ex officio procedure, on November 4, 2013 the Company submitted to AFSCA and to the Supreme Court of Argentina a voluntary proposal to conform to the Audiovisual Communication Services Law pursuant to section 161 of the LSCA, approved by Grupo Clarín’s Board of Directors on November 3, 2013, in an attempt to avoid the forced divestiture of its assets by AFSCA.

In connection with the voluntary proposal, AFSCA issued Resolution No. 1,471/2013 whereby it suspended the Ex Officio Transfer Procedure commenced through AFSCA Resolution No. 2,276/2012 and stated that it would refrain from pursuing any administrative proceedings in that regard.

The voluntary conforming proposal -which did not interrupt any of the judicial actions that were being brought by the Company to defend its rights- was submitted with a request that the decision rendered by the Supreme Court of Argentina be complied with in full. That is, requesting the involvement of an independent, unbiased enforcement authority with technical



expertise, which could ensure a transparent and egalitarian treatment in the enforcement of the law.

The voluntary proposal that was presented by the Company is summarized as follows: The assets of the Company and its group of companies governed by Law No. 26,522 would be divided into six units of audiovisual communication services. Each of the units of audiovisual communication services would have no corporate relationship with the others. This way, each unit would conform individually to the provisions of Sections 45 and 46 of the LSCA and its implementing regulations, and would be divided according to the following detail: (i) Unit I: composed by (a) ARTEAR, owner of the signal of Canal 13 of Buenos Aires and the news signal TN (Todo Noticias). ARTEAR would also maintain its interest in (i) Telecom, holder of the license of Canal 12 of Córdoba and (ii) Bariloche TV, holder of the license of Canal 6 of Bariloche. (b) Radio Mitre, which would maintain the frequencies AM 790 and FM 100 in Buenos Aires, AM 810 and FM 102.9 in Córdoba, and FM 100.3 in Mendoza; and (c) certain assets, liabilities, rights and obligations that were to be spun off from Cablevisión (“Cablevisión Spinoff 1”), which would include 24 local licenses for physical link subscription television services in cities where there was no incompatibility with broadcast TV, and 2 licenses for radio-electric link subscription television services. (ii) Unit II: composed by the surviving Cablevisión, which would continue to carry out the business activities and operations of Cablevisión with all the assets, liabilities, rights and obligations that are not spun off from Cablevisión. It would include 24 licenses for physical link subscription television services and 10 licenses for radio-electric link subscription television services, including the signal Metro, which was also the local signal of the license exploited in the City of Buenos Aires. (iii) Unit III: composed by Cablevisión Spinoff 2, which would include assets, rights and obligations that were to be spun off from Cablevisión, including 22 licenses for physical link subscription television services and 10 licenses for radio-electric link subscription television services. (iv) Unit IV: (a) composed by IESA, owner of the signals TyC Sports and TyC Max; (b) the signals El 13 Satelital, Magazine, Volver, Quiero Música en mi Idioma and (c) an equity interest in Canal Rural S.A., owner of the signal Canal Rural. (v)

Unit V: to be owned by one or more individuals or legal entities that would not maintain a corporate relationship with Radio Mitre, its controlling companies, subsidiaries and/or controlled companies in order not to infringe the then current multiple license regime, and which would own: (a) one sound frequency modulation broadcasting service for the City of San Miguel de Tucumán-FM 99.5, (b) one sound frequency modulation broadcasting service for the City of San Carlos de Bariloche-FM 92.1, (c) one sound frequency modulation broadcasting service for the City of Santa Fe-FM 99.3, (d) one sound frequency modulation broadcasting service for the City of Bahía Blanca-FM 96.5 and (e) one sound frequency modulation broadcasting service for the City of San Carlos de Bariloche - FM 103.1, owned by Bariloche TV (vi) Unit VI: to be owned by one or more individuals or legal entities that would not maintain a corporate relationship with ARTEAR, its controlling companies, subsidiaries and/or controlled companies in order not to infringe the current multiple license regime, and which would hold one broadcast television license for the City of Bahía Blanca, Province of Buenos Aires-LU81 TV Canal 7-and an equity interest in Cuyo Televisión S.A., holder of one broadcast television license in Mendoza-LV83 TV Canal 9 Mendoza-. Said proposal contemplated that the Company would continue to own, directly or indirectly, only one of the audiovisual communication service Units (among those defined as Unit I and Unit II) of the six that were described above.

In order to safeguard the rights of the Company, the above-mentioned proposal contemplated the following reservations of rights: the reservation of the right to bring the judicial actions that may correspond in connection with the claim for economic damages caused to the Company and its subsidiaries as a consequence of their adjustment to conform to the law; the reservation of the right to challenge the conformity of Sections 41, 45, 48 and 161 of Law No. 26,522 to international conventions before the Inter-American Commission on Human Rights, the Inter-American Court of Human Rights and other competent International Courts; the reservation of the right to challenge judicially the composition of AFSCA for the period during which it did not conform to the provisions of the LSCA and for not being a technical and independent agency

protected against undue interferences from the State.

In order for Cablevisión to conform to the provisions of the LSCA, in consolidating the number of subscription television licenses, the Company used the coverage area extension mechanism provided by section 45 of Decree No. 1225/2010 adopting the criterion approved in the Minutes of Meeting No. 32/2012 of the Board of Directors of that agency.

The Company and its subsidiaries have always abided by the laws and respected the decisions of the judiciary: all of the judicial claims brought by them since the enactment of Law No. 26,522 had the purpose of preserving the assets of the Company and of its shareholders. The proposal submitted by the Company was the alternative that most mitigated the damages caused by having had to comply with the Supreme Court decision, taking into consideration what the Board believed arose clearly from the multiple license regime and the admissibility conditions provided by Law No. 26,522.

On February 18, 2014, the Company was served with AFSCA Resolution No. 193/2014 whereby AFSCA's Board of Directors declared that the proposal submitted by Grupo Clarín S.A., Arte Radiotelevisivo Argentino S.A., Radio Mitre S.A. and Cablevisión S.A. was formally admissible. Pursuant to the same Resolution, AFSCA provided that the term of one hundred eighty (180) calendar days set forth under Section 8 of the Rules for the Management and Procedures Relating to Voluntary Proposals established by Resolution No. 2,205/AFSCA/12 would be counted as from the moment the parties were served notice of this Resolution. On that same date, the Company's Board of Directors took notice of AFSCA Resolution No. 193/2014.

In the recitals of AFSCA Resolution No. 193/2014, which declared that the submitted proposal was formally admissible, AFSCA stated that the withdrawal of claims made under File No. 21,788/08, as well as those made under the proposal submitted by Cablevisión, were embedded in the process provided under Section 161 of Law No. 26,522. Accordingly, they were deemed to be approved within the framework of the proposal that was declared formally admissible.

On May 13, 2014, the Company's Board of Directors approved the spinoff of the Company under the terms described in the spinoff prospectus. The spinoff was one of the alternatives that the Company was forced to analyze and project to eventually submit to its shareholders for the purpose of complying with the Proposal considered by the shareholders at the Shareholders' Meeting of Grupo Clarín S.A. held on March 20, 2014, and declared formally admissible by AFSCA on February 18, 2014. The spinoff was subject to the Prior Regulatory Authorizations, as defined in the above-mentioned prospectus.

The main premises of the spinoff financial statements prepared by the Company in accordance with the spinoff described in the Proposal were the following: (A) Grupo Clarín S.A. would be the surviving company and, as such, it would retain all the assets, liabilities, equity, rights and obligations that were not allocated to other units; Grupo Clarín would continue to make public offering of its shares although as a result of the spinoff it would reduce its capital stock to reflect the equity impact of the spun-off assets, liabilities and equity. This would not entail any changes in terms of pro rata interest for any of the holders of the shares traded on stock exchanges. Grupo Clarín would retain its interest in the Business Units that are outside the scope of the Audiovisual Communication Services Law; (B) Unit II would receive, as a result of the spinoff of Grupo Clarín S.A., the assets identified to that effect in the Proposal (in summary, an indirect interest in Cablevisión S.A. with all the assets, liabilities, rights and obligations that are not spun off from that company). It would request authorization to be admitted to the public offering regime and authorization for the trading of the shares that would be received by the current holders of shares issued by Grupo Clarín that were traded on stock exchanges; (C) once (i) the Company had obtained the Prior Regulatory Authorizations (as defined in Grupo Clarín S.A.'s spinoff prospectus), (ii) the spinoff had been registered, (iii) the Spun-off Company had been registered with the IGJ and, (iv) the spun-off company had been admitted to the public offering regime, Grupo Clarín would reduce its capital stock affecting all shareholders in each class of shares, and the spun-off company would issue in exchange a set of new shares of the same classes as those issued by

Grupo Clarín according to the following “exchange ratio”: 1 current share of Grupo Clarín S.A. would be equivalent to 0.3896 shares of Grupo Clarín S.A. (post spinoff), and (ii) 0.6104 new shares of the spun-off company. (D) The other Units (III, IV, V and VI) identified in the Proposal would not be spun off, but would be offered for sale to third parties by Grupo Clarín or a subsidiary that was the direct holder of the equity that made up the respective unit. As stated in the Company’s spinoff prospectus, the “Spinoff Date” would be the date on which the last of the following authorizations and/or filings had been obtained and/or made (as appropriate): (i) Prior Regulatory Authorizations (as defined in the Section “Regulatory Authorizations” of the Prospectus), (ii) registration of the spinoff before the IGJ, or (iii) registration of Cablevisión Holding S.A.’s incorporation before the IGJ. Cablevisión Holding S.A. would begin to operate on its own on the first day of the month following the expiration of the 30-day term counted as from the Spinoff Date (the “Operations Transfer Date”). The Spinoff would produce accounting effects as from the Operations Transfer Date.

The Board of Directors of Cablevisión S.A. moved forward with the tasks for the implementation of the Proposal submitted by that company and decided on May 13, 2014 to approve the spinoff proposal and formally request the CNV’s administrative approval of its spinoff into three different independent companies, the consequent reduction of its equity and the amendment of its bylaws. The Board of Directors of Cablevisión also approved the special spinoff balance sheet and the spinoff prospectus prepared for such purpose. The spinoff was subject to the Prior Regulatory Authorizations, as defined in the spinoff prospectus.

On May 14, 2014, the Company requested from the CNV, within the above-mentioned scope, the administrative approval of its spinoff and submitted the spinoff prospectus, which had been approved by its Directors at the meeting held on the previous day. The Company decided to send a letter to all the shareholders who had signed the letters detailed in the Minutes of the Board of Directors’ Meeting dated April 25, 2014, as well as to the holder of the Class C shares, requesting that they expressly inform the Company how they will comply fully with the

Audiovisual Communication Services Law (with respect to Unit 1 and Unit 2) if the Proposal should be implemented through the spinoff described above.

On May 15, 2014, the Company’s Board of Directors took notice of the letters sent by the shareholders ELHN Grupo Clarín New York Trust, HHM Grupo Clarín New York Trust, LRP Grupo Clarín New York Trust, José Antonio Aranda and Aralú S.A. According to those letters, if the Proposal were to be implemented using the spinoff option, said shareholders would carry out the necessary transactions so that (i) the direct and indirect shareholders of Grupo Clarín S.A. (post spinoff) would be Aralú S.A., José Antonio Aranda and LRP Grupo Clarín New York Trust, and (ii) the direct and indirect shareholders of the spun-off company, Cablevisión Holding S.A., would be HHM Grupo Clarín New York Trust and ELHN Grupo Clarín New York Trust. In their respective letters, GS Unidos LLC and its owner, Mr. Ralph H. Booth II, have stated their intention to cooperate with the Company in the implementation of the Proposal and, particularly, in the possible spinoff. To that end, if the Proposal were to be implemented using the spinoff option and subject to the approval of the regulatory authorities that might eventually correspond, Mr. Ralph H. Booth II had undertaken to reach an agreement with an unrelated third party so that they might carry out the transactions that might be necessary to cause the split of GS Unidos LLC and reach the following shareholder structure for all of the Class C shares of Grupo Clarín (post Spinoff) and of the spun-off company: (i) the holder of all of the Class C shares of Grupo Clarín (post spinoff) would be the existing company GS Unidos LLC, which by that time would be owned by an unrelated third party assignee; (ii) the holder of all of the Class C shares of Cablevisión Holding S.A., the company spun-off from Grupo Clarín S.A., would be a new limited liability company incorporated in the United States of America, which would be owned directly or indirectly by Ralph H. Booth II.

On May 15, 2014, the Company notified AFSCA that on May 14, 2014 it had made a filing with the CNV requesting the CNV’s administrative approval of the Company’s spinoff process.

Also on May 15, 2014, Cablevisión made a filing before AFSCA in order to: i) prove before such Agency that on May 14, 2014 it had made a filing before the CNV requesting the administrative approval of the spinoff process required for the implementation of the Proposal; and ii) request its authorization for the amendment of the Bylaws of Cablevisión, pursuant to Section 25 of Law No. 26,522.

On May 16, 2014 and on June 15, 2014, and pursuant to Section 27 of the Audiovisual Communication Services Law, the Company made a filing before AFSCA in order to notify that agency of the new shareholder structure of (i) the Company, (ii) its controlling company, GC Dominio S.A., (iii) Cablevisión Holding S.A., the company that was to be spun off from Grupo Clarín S.A. and (iv) the controlling company of the latter, and indirect controlling company of Cablevisión, CV Dominio S.A., which would have resulted if the spinoff informed on May 15, 2014 had occurred.

On May 28, 2014, the Company made a filing before AFSCA in order to notify that agency that it had received an Irrevocable Offer from Messrs. Gerardo Martí Casadevall and Christophe DiFalco for the acquisition of a given number of shares of Cablevisión such that, upon consummation of the spin-off of Cablevisión, the offerors would be entitled to receive sixty percent (60%) of the shares to be issued by Cablevisión Spinoff 2 (Unit III under the Proposal).

On June 25, 2014, the Company, ARTEAR, Radio Mitre and Cablevisión received a Note from AFSCA communicating a series of considerations about: a) the administrative approval requested from the CNV of the spinoff process of the Company and Cablevisión, and b) the authorization requested for the amendment of the Bylaws of Cablevisión. In such note, AFSCA: i) informed that it had taken notice of the request for administrative approval filed with the CNV of both spinoff processes; ii) made certain observations regarding the proposal to amend Cablevisión's Bylaws; iii) stated that it understood that Cablevisión would be liable for any and all acts and any contingency arising from those acts until the date of the approval to be granted by AFSCA for the transfers in favor of the spun-off companies and not as from the date of consummation of those transfers; iv)

stated that it would review the bylaws of the spun-off companies; v) stated that it would consider the requested approval once the Company and Cablevisión had informed: v.1.) whether the shareholders had approved the proposed spinoffs and v.2.) the names of the final shareholders of those companies, as well as those of the spun-off companies. It also stated that at such time, it would also analyze the Filings made in connection with the possible composition of the proposed Audiovisual Communication Service Units; and vi) mentioned that the Company, Cablevisión and the companies to be created under the spinoff must be absolutely independent and unrelated among each other, without any common shareholders of any type.

On June 30, 2014, the Company and Cablevisión, made a filing before AFSCA in order to respond to the note dated June 25, 2014. The companies informed AFSCA that: i) Cablevisión would comply with the observations made on some of the proposed changes to its bylaws, and that it would reformulate the proposed bylaws subject to the approval of the shareholders; ii) once approved by the shareholders of Cablevisión, it would file the proposed bylaws for each of the companies that were to be spun off from Cablevisión, which had to be necessarily identical to Cablevisión's own bylaws, iii) once the companies that were to be spun off, which would have new shareholders subject to AFSCA's prior approval, as appropriate, had been registered, Cablevisión could not continue to be held liable for the acts of the spun off companies and/or related contingencies, because Cablevisión had undertaken before AFSCA to comply with the requirement of absolute independence among Cablevisión and the spun-off companies; iv) the Company and Cablevisión had undertaken to inform within the shortest possible time the decisions rendered by their shareholders at Shareholders' Meetings; and v) compliance with approval conditions to be met by the Company had been acknowledged by that Agency. The Company and Cablevisión reaffirmed their commitment under the Proposal in connection with the independence between the Company and its spun-off company and among Cablevisión and its spun-off companies, except with respect to the Company's minority holders of Class B shares that are listed and traded on the Buenos Aires Stock Exchange (BCBA, for its

Spanish acronym) and on the London Stock Exchange (LSE) in the understanding that the shares that trade freely on stock exchanges were outside the scope of the restrictions that had been imposed under the new legal framework.

Once the Proposal was declared formally admissible by AFSCA, which occurred on February 18, 2014, its implementation required the intervention of other governmental and oversight agencies and the approval of the shareholders at the respective Shareholders' Meetings in order to carry out the reorganization and the transfer of licenses, assets, liabilities and operations to third parties, which should then receive final approval from AFSCA by means of an act that declared that the process had been duly completed.

For that reason, the Company made various filings before the different entities/governmental agencies that had to intervene in the implementation of the proposal, according to the following detail:

- Ministry of Economy;
- Secretariat of Trade;
- Comisión Nacional de Defensa de la Competencia (National Antitrust Commission);
- Argentine Securities Commission;
- Argentine Secretariat of Communications;
- Before AFSCA, informing the above-mentioned filings.

The Company made new filings requesting AFSCA to grant service authorization for subscription television services that, as a result of the reorganization, would not change their conformation.

Within the framework of the process to conform the Company to the Audiovisual Communication Services Law, the Company also requested that agency to grant service authorization and the extension of the licenses held by Radio Mitre S.A. corresponding to: AM Córdoba, FM Mendoza, FM Tucumán, and FM Santa Fe.

Cablevisión made filings before AFSCA in which it reserved its rights and made statements in connection with the interpretation of certain recitals of Resolution No. 193/AFSCA/2014 regarding the decisions rendered on:

- The radio-electric link subscription television services that would be discontinued as a result of

the reorganization;

- The portion of radio-electric spectrum that would be accumulated provisionally to the radio-electric services selected in certain locations.
- The statement about the maintenance of the registration of the signal METRO by Cablevisión S.A.
- Rectification of the proposal originally submitted regarding the services that would be rendered in Necochea, La Dulce, Lobería, Monte de los Gauchos, Godoy and Rawson, in Cablevisión S.A.

Pursuant to Note No.

263/AFSCA/DGAJyR/SGAJ/2014, AFSCA informed Cablevisión that AFSCA's Board had approved the amendments proposed by that company to the Proposal with respect to Necochea, La Dulce, Lobería, Monte de los Gauchos, Godoy and Rawson.

The Company obtained from the subsidiaries of Cablevisión S.A. a confirmation of the proposal filed by Cablevisión, and provided evidence of such circumstance to AFSCA pursuant to AFSCA Resolution No. 193/2014. The confirmations that were filed corresponded to the following companies:

- Tres Arroyos Televisora Color S.A.;
- Indio Rico Cable Color S.A.;
- Copetonas Video Cable S.A.;
- Cable Video Sur S.A. (under reorganization);
- Dorrego Televisión S.A.;
- Wolves Televisión S.A.

The proposal submitted by Cablevisión was approved by La Capital Cable S.A. and Otamendi Cable Color S.A. No filing was made in connection with these approvals before AFSCA. Cablevisión carried out all necessary proceedings in order to obtain the approval of the Proposal from Teledifusora San Miguel Arcángel S.A. and Ver TV S.A.

On June 30, 2014, the shareholders of Cablevisión approved that company's partial spinoff under the terms described in the spinoff prospectus submitted by Cablevisión before the CNV in compliance with applicable legislation for (i) the creation with a portion of the equity subject to the spinoff, of two companies whose corporate names would be Compañía Argentina de Cable S.A. and Compañía Inversora de Redes S.A.; (ii) the merger of a portion of the spun-off equity with La Capital Cable S.A. and (iii) the

merger of a portion of the spun-off equity with Tres Arroyos Televisora Color S.A.

On June 30, 2014 the Company's shareholders at the General Extraordinary Shareholders' Meeting approved (i) the partial spinoff of Grupo Clarín, (ii) the creation of a new sociedad anónima (corporation) with the assets that were to be spun off, under the name CABLEVISION HOLDING S.A., (iii) the reduction of the Company's capital stock as a consequence of the approved partial spinoff, (iv) the reduction in the amount of the capital stock that is authorized for public offering and listing on the Buenos Aires Stock Exchange and the London Stock Exchange, (v) the amendment of Articles 4, 5, 16, 21 and 24 of the Company's Bylaws under the terms established in the spinoff prospectus, (vi) the deletion of Article 27 of the Company's current Bylaws, and (vii) the performance of the Task Force Created to Implement the Proposal as from the Extraordinary Shareholders' Meeting held on March 20, 2014 and up to that date, and granted such Task Force the broadest powers to consider, manage and submit to competent authorities all the required authorizations for the implementation of the Proposal.

The Company published the corresponding spinoff notices pursuant to Section 88 of the Argentine General Associations Law. Two objections were filed against the spinoff, which were duly dismissed. Notwithstanding the foregoing, the Company did not issue the public deeds relating to the spinoff and creation of the spun-off companies because the prior regulatory authorizations had not been granted as provided under its spinoff prospectus.

In addition, at the above-mentioned General Extraordinary Shareholders' Meeting of June 30, 2014, the Shareholders approved (i) the irrevocable offer received for the acquisition of Unit III under the Proposal, (ii) the irrevocable offers received for the acquisition of the assets that made up Unit V under the Proposal, (iii) the irrevocable offer for the acquisition of the shares of Telba, and (iv) the motion to adjourn the meeting until July 11, 2014 so that the Company might make a filing requesting AFSCA to ratify the existence of certain precedents decided by AFSCA in other companies' procedures to conform to the Audiovisual Communication Services Law, in connection with the limitations applicable to the ownership of registered cable

television signals and, if any such precedents existed, that AFSCA consider the proposal submitted by the Company as if it had been reformulated. The Company would then submit the matter to the shareholders so that, with AFSCA's answer, they might consider the irrevocable offers received for the sale of shares and/or assets that made up Unit IV under the Proposal, and the irrevocable offer for the acquisition of the shares of Cuyo Televisión S.A., if any shall exist as of the date on which the shareholders' meeting was scheduled to resume.

The main terms and conditions of the offers approved by the shareholders at the Extraordinary Shareholders' Meeting held on June 30, 2014 were the following:

- The irrevocable offer received for the acquisition of Unit III under the Proposal. The irrevocable offer approved by the shareholders for the acquisition of Unit III under the Proposal had been made by Messrs. Gerardo Martí Casadevall and Christophe DiFalco (the Investors). The offer contemplated the acquisition, on the Closing Date, defined as the date that occurred 10 business days immediately after the date on which all of the conditions precedent had been fulfilled and until December 31, 2014 unless such deadline should be extended by both investors and/or by Grupo Clarín and Fintech until no later than December 31, 2014, from one or more companies controlled by the Company, of a given number of shares of Cablevisión S.A. such that, upon consummation of the spin-off of Cablevisión S.A., the Investors would be entitled to receive 60% of the shares to be issued by Cablevisión Spinoff 2. The Offer was subject to the condition that it also include minority equity interests in La Capital Cable S.A., Tres Arroyos Televisora Color S.A., Teledifusora San Miguel Arcángel S.A. and AVC Continente Audiovisual S.A., and Televisora Privada del Oeste S.A. Simultaneously with this Irrevocable Offer, the Investors had sent Fintech Advisory Inc. an irrevocable offer in substantially similar terms, for the Investors to acquire all of the capital stock of a new limited liability company to be incorporated in the State of Delaware, United States of America, that would own approximately 40% of the shares that were to be issued by Cablevisión Spinoff 2. The implementation and effective closing of the transaction described under the Irrevocable Offer

-including the payment of the offered price and the transfer of the shares of Cablevisión S.A. to the Investors- was subject to the following Conditions Precedent set forth under the Offer, including the final approval to be granted by AFSCA. The purchase price established in the Irrevocable Offer was of a) USD 28,200,000, for the 60% participation owned by the Company. The price would be paid as follows: a) USD 8,460,000 on the Closing Date, in United States Dollars, and b) the balance would be paid by means of a promissory note to be issued by the Investors and to be delivered on the Closing Date for USD 19,740,000 under the terms described in Exhibit III to the Offer. The conditions that had been negotiated included: A purchase option, transferrable to third parties, over the assets sold for a term of 7 years, a percentage of the sale price upon the occurrence of any liquidity event, also in favor of the seller, and a transferrable right of first refusal, which would allow the Company to match any offer that the purchasers might receive in the future - conditions that would allow the current shareholders to recover a portion of the future value.

- The irrevocable offers received for the acquisition of the assets that made up Unit V under the Proposal. The main terms of the offers received by Radio Mitre S.A. were the following: (A) Firm and Irrevocable Offer for the acquisition of the Sound Frequency Modulation Broadcasting Service in San Miguel de Tucumán: The offer letter was sent by Mr. Facundo Soler Valls for the acquisition of the sound frequency modulation broadcasting service in the frequency 99.5 Mhz, Channel 258, Category “C” of the City of San Miguel de Tucumán, Province of Tucumán, awarded in favor of RMSA under Resolution No. 1,325-CFR/99 (the “Tucumán Broadcasting Service”). The assignment, sale and transfer of the Tucumán Broadcasting Service would be subject (condition precedent) to the fulfillment on or before December 31, 2014 -or upon expiration of any extension of this term- of all of the conditions precedent contained in the offer, among others, that AFSCA and the other oversight agencies that might correspond approve the assignment, sale and transfer of the Tucumán Broadcasting Service, including but not limited to the approval of the admissibility conditions of the Offerors required by the Audiovisual Communication Services Law to be a licensee of the audiovisual communication

service that was the subject matter of the Offer. The Price offered for the Assignment of the Tucumán Broadcasting Service was of Ps. 1,000,000 (One Million Pesos), payable as follows: (i) Ps. 100,000 (One Hundred Thousand Pesos) as Advance Payment, within 5 (five) business days after receipt by the Offeror of the notice of pre-acceptance of the Offer; (ii) Ps. 75,000 (Seventy Five Thousand Pesos) on the Closing date, and (iii) the balance of Ps. 825,000 (Eight Hundred Twenty Five Thousand Pesos) shall be payable with 11 (eleven) equal, monthly and consecutive checks. On June 30, 2014, Radio Mitre sent to the Offeror the notice of pre-acceptance of the Offer. Finally, on July 1, 2014 Radio Mitre S.A. notified the Offeror of the acceptance of the Offer, stating that even though its acceptance of the Offer was binding both on Radio Mitre and the Offeror, its execution was subject to the effective occurrence of the conditions precedent indicated in the Offer. (B) Firm and Irrevocable Offer for the acquisition of the Sound Frequency Modulation Broadcasting Service in Santa Fe: Its main terms and conditions were the following: (I) Offeror: PRENSA Y MEDIOS SANTAFESINOS DEL SUR S.A. The assignment, sale and transfer of the Santa Fe Broadcasting Service would be subject (condition precedent) to the fulfillment on or before December 31, 2014 -or upon expiration of any extension of this term- of all of the conditions precedent contained in the offer, among others, that AFSCA and the other oversight agencies that might correspond approve the assignment, sale and transfer of the Santa Fe Broadcasting Service, including but not limited to the approval of the admissibility conditions of the Offerors required by the Audiovisual Communication Services Law to be a licensee of the audiovisual communication service that was the subject matter of the Offer. The Price offered for the Assignment of the Santa Fe Broadcasting Service was of USD 150,000 (One Hundred Fifty Thousand US Dollars), payable as follows: (i) USD37,500 (Thirty Seven Thousand Five Hundred US Dollars) as Advance Payment, within 5 (five) business days after receipt by the Offeror of notice of pre-acceptance of the Offer, and (ii) the balance of USD112,500 (One Hundred Twelve Thousand Five Hundred US Dollars) on the Closing date. On June 30, 2014, Radio Mitre sent to the Offeror the notice of pre-acceptance of the Offer. Finally, on July 1, 2014 Radio Mitre S.A. notified the Offeror of the acceptance

of the Offer, stating that even though its acceptance of the Offer was binding both on Radio Mitre and the Offeror, its execution was subject to the effective occurrence of the conditions precedent indicated in the Offer. (C) Firm and Irrevocable Offer for the acquisition of the Sound Frequency Modulation Broadcasting Service in San Carlos de Bariloche; the main terms and conditions were the following: (I) the offer letter was sent by SALTAVIOLETA S.R.L. The assignment, sale and transfer of the Bariloche Broadcasting Service would be subject to the fulfillment on or before December 31, 2014 -or upon expiration of any extension of this term- of all of the conditions precedent contained in the offer, among them, that AFSCA and the other oversight agencies that might correspond, approve the assignment, sale and transfer of the Bariloche Broadcasting Service, including but not limited to the approval of the admissibility conditions of the Offerors required by the Audiovisual Communication Services Law to be a licensee of the audiovisual communication service that was the subject matter of the Offer. The Price offered for the Assignment of the Bariloche Broadcasting Service was of USD 75,000 (Seventy Five Thousand US Dollars) (the "Price"), payable as follows: (i) USD18,750 (Eighteen Thousand Seven Hundred Fifty US Dollars) as Advance Payment, within 5 (five) business days after receipt by the Offeror of the notice of pre-acceptance of the Offer, and (ii) the balance of USD56,250 (Fifty Six Thousand Two Hundred Fifty US Dollars) on the Closing date. On June 30, 2014, Radio Mitre sent to the Offeror the notice of pre-acceptance of the Offer. Finally, on July 1, 2014 Radio Mitre S.A. notified the Offeror of the acceptance of the Offer, stating that even though its acceptance of the Offer was binding both on Radio Mitre and the Offeror, its execution was subject to the effective occurrence of the conditions precedent indicated in the Offer and (D) Firm and Irrevocable Offer for the acquisition of the Sound Frequency Modulation Broadcasting Service in Bahía Blanca. Its main terms and conditions were the following: The offer letter was sent by Mr. Marcelo González, who made a binding, firm and irrevocable offer for the acquisition of the Sound Frequency Modulation Broadcasting Service identified with the distinctive signal "LRI436", Category "D" to operate in the frequency 96.5 Mhz, Channel 243, in the city of Bahía Blanca, Province of Buenos Aires, the

ownership of which in favor of RMSA was confirmed under Resolution No. 0741-COMFER/00. The assignment, sale and transfer of the Bahía Blanca Broadcasting Service would be subject (condition precedent) to the fulfillment on or before December 31, 2014 -or upon expiration of any extension of this term- of all of the conditions precedent contained in the offer, among them, that AFSCA and the other oversight agencies that might correspond approve the assignment, sale and transfer of the Bahía Blanca Broadcasting Service, including but not limited to the approval of the admissibility conditions of the Offerors required by the Audiovisual Communication Services Law to be a licensee of the audiovisual communication service that was the subject matter of the Offer. The Price offered for the Assignment of the Bahía Blanca Broadcasting Service was of USD 50,000 (Fifty Thousand US Dollars), payable as follows: (i) USD12,500 (Twelve Thousand Five Hundred US Dollars) as Advance Payment, within 5 (five) business days after receipt by the Offeror of the notice of pre-acceptance of the Offer, and (ii) the balance of USD37,500 (Thirty Seven Thousand Five Hundred US Dollars) on the Closing date. On June 30, 2014, Radio Mitre S.A. sent to the Offeror the notice of pre-acceptance of the Offer. Finally, on July 1, 2014 Radio Mitre S.A. notified the Offeror of the acceptance of the Offer, stating that even though its acceptance of the Offer was binding both on Radio Mitre S.A. and the Offeror, its execution was subject to the effective occurrence of the conditions precedent indicated in the Offer. With regard to the above-mentioned offers, in July 2014 the offerors paid Radio Mitre the advances that were agreed in connection with the transfers of the frequencies of San Miguel de Tucumán, Bahía Blanca and Santa Fe.

• Irrevocable Offer for the acquisition of the Sound Broadcasting Service owned by Bariloche TV. The main terms and conditions of the Offer received were the following: (I) the offer letter was sent by Mr. Francisco Alejo Quiñonero (the "Offeror"), who made a binding, firm and irrevocable offer (the "Offer") for the acquisition of the sound frequency modulation broadcasting service, identified with the distinctive signal LGR346. Category D, to operate in the frequency 103.1MHz, Channel 276, in the city of San Carlos de Bariloche, Province of Río Negro, awarded to Bariloche TV pursuant to



Resolution 154-COMFER/2001 (the "Bariloche Broadcasting Service"). (II) The assignment, sale and transfer of the Bariloche Broadcasting Service would be subject (as condition precedent) to the fulfillment on or before December 31, 2014-or upon expiration of any extension of that term, should Bariloche TV extend it for up to 180 days-of all of the following Conditions Precedent: (i) that AFSCA and the other oversight agencies that might correspond approve the assignment, sale and transfer of the Bariloche Broadcasting Service, including but not limited to the approval of the admissibility conditions of the Offeror; and (ii) that as of the Closing Date there were no laws and/or administrative and/or court orders restraining, prohibiting, amending, altering, conditioning or rendering illegal the assignment, sale and transfer of the Bariloche Broadcasting Service under the conditions set forth in the Offer. (III) The Offer was effective from June 24, 2014 through August 20, 2014 (the "Offer Period"), notwithstanding which, if on or before that date Bariloche TV should communicate to the Offeror that the Offer had been considered admissible by the Board of Directors of Grupo Clarín S.A. and pre-accepted for the purpose of its subsequent treatment at the shareholders' meeting of Grupo Clarín S.A. that would consider and decide on the manner, form and conditions for the implementation of the Proposal (the "Pre-Acceptance"), the Offer would be automatically extended for an additional period that would expire 10 (ten) business days after the close of the above-mentioned Shareholders' Meeting of Grupo Clarín S.A. (IV) The Offer would have been deemed accepted by Bariloche TV if the shareholders of Grupo Clarín S.A., at the abovementioned shareholders' meeting, had decided within the Offer Period to accept the Offer definitively, and Bariloche TV should send the Offeror written notice stating unequivocally its intention to assign, sell and transfer to the Offeror the Bariloche Broadcasting Service under the terms and conditions of the Offer (the "Acceptance"). As from Acceptance, this Offer would have been binding on both Bariloche TV and the Offeror and its execution would only be subject to the effective occurrence of the Conditions Precedent. At closing, the parties would execute all the final instruments required to consummate the assignment, sale and transfer of the Bariloche Broadcasting Service. (V) Within 10 (ten) days as from the Acceptance,

the Offeror would undertake to create a company for the purpose of acquiring the Bariloche Broadcasting Service. (VI) If the Offer should be accepted as of the Closing Date, Bariloche TV and the Offeror would perform the acts required to execute a firm agreement on the assignment, sale and transfer of the Bariloche Broadcasting Service in favor of the Offeror in accordance with the terms and conditions of the Offer (the "Assignment"). (VII) The Price offered for the Assignment of the Bariloche Broadcasting Service was of Ps. 450,000 (Four Hundred Fifty Thousand Pesos) (the "Price"), payable as follows: (i) Ps. 149,985 (One Hundred Forty Nine Thousand Nine Hundred Eighty Five Pesos) as initial price, on the Closing date, and (ii) Ps. 300,015 (Three Hundred Thousand Fifteen Pesos), which would be converted into US Dollars at the official offer exchange rate quoted by Banco Nación on the day immediately preceding the Closing date (the "Price Balance"), and would be paid in 2 (two) equal installments of Ps. 115,007.50 each -with no interest- which would be payable upon 12 (twelve) and 18 (eighteen) months as from Closing date. The Offeror might cancel such installments in Pesos, at the official offer exchange rate quoted by Banco Nación on the day immediately preceding the payment date. The Price Balance would be guaranteed by the Offeror by the issuance and delivery to Bariloche TV, on the Closing date, of 2 (two) promissory notes. (VIII) The Offer set as closing date the tenth business day as from the fulfillment of the last of all Conditions Precedent (the "Closing"), at the time and place that Bariloche TV would notify the Offeror in writing, to carry out the acts necessary to execute the Assignment of the Bariloche Broadcasting Service. (IX) The Assignment of the Bariloche Broadcasting Service would be executed in the economic, financial, equity, tax, legal and regulatory conditions in which such service was at Closing Date. (X) The Offeror undertook to carry out at its own risk, within applicable terms, all the notices and/or filings with the authorities or governmental agencies that might be necessary (especially with AFSCA) on account of or in connection with the Offer. On July 1, 2014, Bariloche TV notified Mr. Francisco Alejo Quiñonero of the acceptance of the Offer, stating that as from the Acceptance, the Offer was binding both on the company and the Offeror, and its execution was only subject to the effective occurrence of the conditions precedent

indicated in the Offer. The parties would, at Closing, execute all the final instruments required to consummate the assignment, sale and transfer of the sound broadcasting service subject matter of the Offer.

- The terms and conditions of the Irrevocable Offer for the acquisition of the shares of TELBA were the following: (I) the letter was sent to ARTEAR and GC Minor S.A. by Mr. Francisco Alejo Quiñonero, who made a binding, firm and irrevocable Offer to acquire the following equity interests in TELBA: (i) 156,624 registered, non endorsable, common shares with a nominal value of Ps. 0.0001 and entitled to one vote per share, representing 99.9994% of the capital stock and votes of TELBA owned by ARTEAR, and in the same proportion the political and economic rights inherent to such shares (the "ARTEAR Shares"), and (ii) 1 (one) registered, non endorsable, common share with a nominal value of Ps. 0.0001 and entitled to one vote per share, representing 0.0006% of the capital stock and votes of TELBA owned by GC Minor, and in the same proportion the political and economic rights inherent to such shares. The assignment, sale and transfer of the Shares was subject to the approval by AFSCA and by other oversight agencies that might correspond on or before December 31, 2014 of the transfer of the Shares subject matter of the Offer; and to the absence as of the Closing Date of any laws and/or administrative and/or court orders restraining, prohibiting or rendering illegal the transfer of the Shares under the conditions set forth under the Offer (the "Conditions Precedent"). On July 1, 2014, ARTEAR and GC Minor notified Mr. Francisco Alejo Quiñonero of the acceptance of the Offer, stating that as from the Acceptance, the Offer was binding on ARTEAR, GC Minor and the Offeror, and its execution was only subject to the effective occurrence of the conditions precedent indicated in the Offer. The parties would, at Closing, execute all the final instruments required to consummate the assignment, sale and transfer of the Shares of TELBA. The Price offered for the Purchase of the Shares of TELBA was of Ps. 5,000,000 (Five Million Pesos) (the "Price"), payable as follows: (i) Ps. 1,666,500 (One Million Six Hundred Sixty Six Thousand Five Hundred Pesos), at Closing; and (ii) the balance of Ps. 3,333,500 (Three Million Three Hundred Thirty Three Thousand Five Hundred Pesos) would be converted into US Dollars at the

official offer exchange rate quoted by Banco de la Nación Argentina on the Closing date (the "Purchase Price Balance"), and would be settled as follows: (i) 50% (fifty per cent) of the Purchase Price Balance would be settled upon 12 (twelve) months as from Closing date, and (ii) the remaining 50% (fifty per cent) of the Purchase Price Balance would be settled upon 18 (eighteen) months as from Closing date. Although the Purchase Price Balance had been agreed in US Dollars, the Offeror might settle the Purchase Price Balance in pesos, or any currency that might replace the Argentine peso, at the official offer exchange quoted by Banco de la Nación Argentina. The Purchase Price Balance would be guaranteed by the Offeror by the issuance and delivery to ARTEAR and GC Minor, on the Closing date, of 2 (two) promissory notes. The Purchase of the Shares of TELBA would be executed in the economic, financial, equity, tax, legal and regulatory conditions in which such shares and TELBA were at Closing. Additionally, the Purchase would be, with respect to ARTEAR and GC Minor, free and clear of any responsibility arising from the existence of any liabilities arising prior to the Closing date and not disclosed in the Financial Statements of TELBA. Also, at Closing, the Offeror would grant ARTEAR and GC Minor and/or a designee of ARTEAR and GC Minor, irrevocably and firmly: the exclusive, firm and irrevocable right, but not the obligation, to opt for the purchase of the Shares of TELBA (the "Right of Option"); and the right of first refusal to acquire, exclusively and with priority the Shares of TELBA with respect to any third party (the "Right of First Refusal"), subject to the terms and conditions established in the Offer.

As decided by the shareholders, on July 1, 2014 (Filing No. 13,291-AFSCA/14), the Company appeared before AFSCA and requested that agency to ratify that the limitations under Subsection 3 of Section 45 applied only to audiovisual communication service licensees that were holders of the registered title of cable television signals and not to its shareholders and/or holders of the registered title of cable television signals (when the latter are not licensees). The Company also stated that if that agency were to confirm the Company's interpretation, then the Proposal should be deemed reformulated and/or partially amended based on any such precedents and on the

principle of equality, taking into account the reservation of rights under the Company's Proposal.

On July 10, 2014, AFSCA served the Company and ARTEAR with Notice 130 AFSCA/14 whereby, in response to the note submitted by both companies on July 1, 2014, that agency stated that in the opinion of AFSCA's Permanent Legal Service, the request made by both companies entailed a material amendment of the Proposal, and therefore AFSCA rejected the requested reformulation and/or amendment of the Proposal because it considered that the procedural stage for such amendments had concluded. That agency also stated, *prima facie*, that the precedents mentioned by both companies regarding the signals were not applicable to the case under review.

On July 11, 2014, when the shareholders of the Company resumed the Shareholders' Meeting that had been adjourned on June 30, 2014, the shareholders approved (i) the firm and irrevocable Alternative Offer of 34 South Media LLC for Unit IV under the Proposal, which was considered by the Company's Board of Directors on the same date, and instructed the Board of Directors, in light of the response received from AFSCA, to carry out all the necessary steps to comply with the Proposal and to bring the administrative and legal actions required to best safeguard the interests of the Company and (ii) the Irrevocable Offer for the acquisition of the shares of Cuyo Televisión S.A. (which make up Unit VI under the Proposal) owned by Diario Los Andes Hermanos Calle S.A., which had been considered by the Company's Board of Directors on the same date.

The main terms and conditions of the offers approved by the shareholders at the meeting held on July 11, 2014 to resume the Extraordinary Shareholders' Meeting that had been adjourned until that date on June 30, 2014 were the following:

- The terms and conditions of the firm and irrevocable Alternative Offer of 34 South Media LLC for Unit IV under the Proposal approved by the shareholders were the following: The offer consisted in the transfer of ownership of the assets that make up Unit IV under the Proposal to a trust in which Grupo Clarín S.A. and GC Minor S.A. would be the Settlers, by

contributing all the shares issued by Inversora de Eventos S.A. representing 100% of the capital stock and votes of that company, together with the political and economic rights inherent to such shares, once IESA has exercised its call options on the signals and the shares representing 24.999613% of the capital stock and votes of Canal Rural Satelital S.A, currently owned by ARTEAR. The trust would be managed by an independent trustee, which would be appointed by Grupo Clarín S.A., GC Minor S.A. and 34 South Media LLC by mutual agreement. The trustee would carry out its duties based on management and administration rules or a manual to be defined by mutual agreement among Grupo Clarín S.A., GC Minor S.A. and 34 South Media LLC at the creation of the Trust. The main purpose of the trust would be to preserve the value of the assets held in trust in case the Company decided to bring legal actions to safeguard its rights. The beneficiaries of the trust would be Grupo Clarín S.A., GC Minor S.A. or 34 South Media LLC, to which the trustee would transfer as appropriate the ownership of the property held in trust. The trustee would transfer all the Shares of IESA applying the following criteria: 1st) in favor of 34 South Media LLC if Grupo Clarín S.A. should be forced to divest of Unit IV, within 10 days as from the fulfillment of the Conditions Precedent (as defined below) or the setting of the Price, whichever occurs last (the "Closing"), or 2nd) in favor of Grupo Clarín S.A. and GC Minor S.A. if Grupo Clarín S.A. should not be forced to divest of Unit IV, within 10 days as from the final decision rendered in any actions brought by the Company. Prior to Closing, the parties would set the price that the offerors would pay to the assignors for the Shares of IESA according to the following procedure: The offerors would offer the assignors an aggregate price for the Shares of IESA (hereinafter, the "Offered Price"). If the assignors did not accept the Offered Price, they might entrust Banco Santander or Banco Itaú, at the sole discretion of the assignors, with the valuation of the Shares of IESA, or they may appoint any other appraiser by mutual agreement among the parties at the request of the assignors. The appraiser would carry out its duty within thirty calendar days as from its designation and would notify by certifiable means the result of the valuation to all the parties involved. The valuation method would be determined by the designated appraiser. Once the parties had been notified by

certifiable means of the price resulting from the valuation under the stipulated procedure (hereinafter, the “Appraised Price”), the following procedure would be followed: 1) If the Offered Price had been lower than the Appraised Price, the offerors would have acquired the Shares of IESA at the Offered Price +  $[(\text{Appraised Price} - \text{Offered Price}) / 2]$ . 2) If the Offered Price had been higher than the Appraised Price, the Price to be paid by the offerors to the assignors for the Shares of IESA would have been:  $\text{Appraised Price} + [(\text{Offered Price} - \text{Appraised Price}) / 2]$ . The costs and expenses incurred as a result of the valuation stipulated in that clause would be exclusively and equally borne by the assignors and the offerors. After the final Sale Price had been agreed upon or set, the transaction would have been implemented at Closing, which would have taken place on the date and at the place indicated by the assignors. The price would be paid as follows: 30% at Closing and the balance in three equal, annual and consecutive installments counted as from Closing. The fulfillment of the obligations undertaken by the parties at Closing, including the payment of the Price by the offerors to the assignors and the transfer of the Shares of IESA by the trust to the offerors, would be subject to the fulfillment of all of the following conditions (individually and collectively, hereinafter the “Conditions Precedent”): 1) That -where necessary- AFSCA and other oversight agencies that might correspond approve the transfer of Shares of IESA and other assets subject matter of this agreement in favor of the offerors; and 2) that there were no laws and/or administrative and/or court orders restraining, prohibiting, amending, altering, conditioning or rendering illegal the transfer of the Shares of IESA and other assets subject matter of this agreement.

- The main terms and conditions of the Irrevocable Offer for the acquisition of the shares of Cuyo Televisión S.A. (CUTESA) owned by Diario Los Andes Hermanos Calle S.A. were the following: The offer was sent by Messrs. Silvina Claudia Alonso, Mariano Germán Alonso and Gabriela Cecilia Alonso (the “Assignees”) to acquire from Diario Los Andes, all the rights and actions it has over 36,000 shares representing 9% of the capital stock and votes of CUTESA. As from the notice of acceptance of the offer, it would be binding on both Diario Los Andes and on the Assignors and its execution would only be subject to the effective occurrence of the

conditions precedent mentioned in the offer. At closing, the parties would execute all the final instruments required to consummate the assignment of the rights over the shares of CUTESA. The price offered for the assignment, sale and transfer of the rights over the shares of CUTESA was Ps. 17,000,000 payable by the Assignees to Diario Los Andes as follows: Ps. 15,000,000 on the closing date, Ps. 2,000,000 equal to 6,000 seconds of prime time advertising in CUTESA provided that such advertising seconds might be used by Diario Los Andes or the members of the same economic group within 5 years as from Closing. Notwithstanding the foregoing, the Assignees would pay to Diario Los Andes an additional Ps. 5,000,000 (the “Contingent Price Balance”), subject to the condition precedent that upon the expiration of the current term of the license -which would have expired on November 24, 2017-, CUTESA be legally authorized to continue exploiting the television broadcast service in the City of Mendoza on account of an extension or renewal of the license under any title or cause, or that CUTESA continue to exploit the service, in which case the Assignees shall pay to Diario Los Andes the Contingent Price Balance under the conditions mentioned in the Offer. If exploitation of the service was maintained during only part of a given period, the Assignees would have had to pay to Diario Los Andes the Contingent Price Balance pro rata, based on the duration of the service. In order to guarantee the payment of the price (and if applicable the Contingent Price Balance) to Diario Los Andes, the Assignees would be jointly and severally liable for, and would be unrestricted guarantors of all the obligations undertaken by the Assignees with respect to the payment of the price balance. The profits generated by CUTESA during the years 2013 and 2014 (in this case on a pro rata basis until the closing date) would be approved by the Assignees as dividends in favor of Diario Los Andes within the legal terms and payable by CUTESA to Diario Los Andes within ten working days as from their approval.

On July 22, 2014, the Company and ARTEAR made a filing with AFSCA in order to request that agency to disregard the erroneous considerations contained in Opinion No. 001028-AFSCA/DGAJ and dismiss all the decisions rendered by the areas of AFSCA stated in Minutes No. 51 of AFSCA, which were

served on the Company and ARTEAR on July 11, 2014, and to consider the Proposal reformulated and/or amended under the terms indicated by the Company and ARTEAR in their note dated July 1, 2014 (Proceeding No. 13291-AFSCA/14).

On July 24, 2014, Grupo Clarín S.A. made a filing before AFSCA in order to notify that agency that the shareholders of the Company, in connection with the implementation of the Proposal that was declared formally admissible pursuant to Resolution No. 193/AFSCA/2014, had approved: i) the proposal for the partial spinoff of Grupo Clarín S.A. and the consequent creation of a new company; ii) the irrevocable offer received by Grupo Clarín S.A. for the acquisition of a given number of shares of Cablevisión such that its acquirer will become holder of Cablevisión Spinoff 2, i.e. Unit III under the Proposal; iii) the transfer of the assets owned by ARTEAR allocated to Unit IV in favor of IESA and the irrevocable offer to transfer the equity interests owned by Grupo Clarín S.A. and GC Minor S.A. in IESA in favor of a trust to be created; iv) the irrevocable offers received by Radio Mitre S.A. for the sale of the assets that make up Unit V; and v) the irrevocable offers received by ARTEAR and Diario Los Andes Hermanos Calle S.A. for the sale of the assets that make up Unit VI.

Also on July 24, 2014, Cablevisión made a filing with AFSCA in order to notify that agency that on June 30, 2014, the shareholders of Cablevisión, at that Company's Extraordinary Shareholders' Meeting, had unanimously approved: i) the proposal for the partial spinoff of that company that had been duly informed to AFSCA; ii) the partial amendment of Cablevisión's bylaws, which contemplated the observations made by AFSCA; iii) the creation of two new companies with a portion of the equity subject to the spinoff; iv) the merger of a portion of the equity subject to the spinoff with Tres Arroyos Televisora Color S.A., Indio Rico Cable Color S.A., Copetonas Video Cable S.A., Dorrego Televisión S.A., Cable Video Sur S.A. (under reorganization), and v) the merger of a portion of the equity subject to the spinoff with La Capital Cable S.A. and Otamendi Cable Color S.A. In the same filing, the Company attached the Bylaws of the companies that were to be spun off.

On July 25, 2014, the Company made a filing with AFSCA in order to notify that agency that the Extraordinary Shareholders' Meeting held on June 30, 2014, its shareholders had approved the irrevocable offer received from Messrs. Martí Casadevall and Christophe DiFalco for the acquisition of a number of shares of Cablevisión such that, upon consummation of the spin-off of Cablevisión, the offerors would be entitled to receive sixty percent (60%) of the shares to be issued by Cablevisión Spinoff 2 (Unit III under the Proposal).

On August 11, 2014, Cablevisión requested the SECOM to register the telecommunications licenses directly or indirectly owned by Cablevisión under the name of the surviving company in accordance with the procedure to conform the Company to the Audiovisual Communication Services Law No. 26,522.

On August 13, 2014, AFSCA notified Grupo Clarín, Cablevisión, ARTEAR and Radio Mitre of Resolution No. 902/AFSCA/2014. The Resolution rejected a request for the partial amendment of the proposal filed by Grupo Clarín and ARTEAR, relating to the divestment of assets owned directly by the latter. The Resolution also compelled Grupo Clarín, ARTEAR, Radio Mitre and Cablevisión to ratify their intention to fulfill, with no changes, the Proposal that was declared formally admissible pursuant to Resolution No. 193/AFSCA/2014 in the terms in which it was admitted. That agency also stated that failure to do so would be sanctioned pursuant to Section 21 of Law No. 19,549,

On August 15, 2014, 34 South Media LLC requested Grupo Clarín and GC Minor to reconsider the Original Offer submitted on June 26, 2014, i.e. the transfer of the shares representing 100% of IESA's capital stock in favor of 34 South Media LLC, including all of the assets that made up Unit IV. 34 South Media LLC also stated that in the event of acceptance of the Original Offer, Mr. Miguel El Haiek would acquire the minority interest in IESA that might be necessary for regulatory purposes in order to comply with the requirement of a plurality of shareholders established under Law No. 19,550. Therefore, on August 15, 2014, the Board of Directors of Grupo Clarín held a meeting to take note of Resolution No. 902/AFSCA/2014 and to consider the note sent

by 34 South Media LLC, whereby the latter offered Grupo Clarín and GC Minor the possibility of reconsidering and accepting the Original Offer submitted on June 26, 2014. At such meeting of the Board of Directors, taking into consideration the evident arbitrariness with which AFSCA decided and behaved in connection with Grupo Clarín and its subsidiaries, the Board decided to accept the Original Offer submitted by 34 South Media LLC, stating its acceptance in writing in order to, in this way, transfer Unit IV under the Proposal to 34 South Media LLC. Consequently, the Alternative Offer that had been approved by the shareholders at the Shareholders' Meeting of Grupo Clarín that had been resumed after its adjournment, was rendered without effect. At the same Meeting, the Board decided to call a new Extraordinary Shareholders' Meeting of Grupo Clarín in order for the shareholders to ratify the decision of the Board of Directors in connection with the acceptance of the original Offer. Also on August 15, 2014, the Board of Directors of GC Minor decided to approve the Original Offer submitted by 34 South Media LLC. Finally, also on August 15, 2014, Grupo Clarín and GC Minor notified 34 South Media LLC and Mr. Miguel El Haiek of the acceptance of the Original Offer, which therefore became binding on all the parties involved.

On August 15, 2014, ARTEAR and Grupo Clarín S.A. made a filing with AFSCA in order to inform and certify: (i) the acceptance of the offer for the 100% equity interest held by ARTEAR and GC Minor S.A. in Teledifusora Bahiense S.A., owner of LU 81 TV Canal 7 of Bahía Blanca. They requested AFSCA to render a preliminary decision about the admissibility conditions of the Offerors to proceed without further delay with its effective transfer, and (ii) the transfer by ARTEAR of 24.999613% of the shares of Canal Rural Satelital S.A. in favor of IESA. They also requested that agency to acknowledge the new shareholder structure of Canal Rural Satelital S.A. in conformity with Decree No. 904/2010.

On August 19, 2014, ARTEAR and Grupo Clarín S.A. made a filing with AFSCA in order to inform and certify the transfer of the signals El Trece Satelital, Volver, Quiero mi Música en mi Idioma and Magazine by ARTEAR in favor of IESA and requested that agency to acknowledge the new ownership of those

registered signals. The accepted Offer also provided for the execution of content supply agreements whereby the parties agreed on a consideration that was calculated in every case based on a percentage of the revenues generated by the commercialization of the transferred cable television signals, with an established minimum consideration.

On August 19, 2014, the Board of Directors of Cablevisión took note of Resolution No. 902/AFSCA/2014, highlighting the threat contained in that Resolution to apply the ex officio implementation of the Proposal even though the term granted by Resolution No. 193/AFSCA/2014 for its execution had not yet expired, in addition to being legally inapplicable.

On August 19, 2014, Grupo Clarín, ARTEAR, Radio Mitre and Cablevisión made a filing with AFSCA in order to inform and certify that they had duly completed all actions required of those companies and necessary to implement the Proposal in the terms in which it had been approved pursuant to Resolution No. 193/AFSCA/2014. Consequently, the Company deemed that AFSCA's inapplicable order issued pursuant to Resolution No. 902/AFSCA/2014 had been responded. In that same filing, they also requested AFSCA (i) to order and decide on the prior acts that are necessary to complete the process and that were requested in each of the filings made by the Company, including an extension of the term granted for the implementation of the Proposal for as long as it takes that Agency to analyze and instrument such prior acts, and (ii) to compel the other government agencies that must necessarily intervene in that procedure, to issue the corresponding authorizations that were required prior to its final implementation to enable the final completion of the process.

On September 2, 2014 the term for the Company's creditors to exercise their rights to object to the spinoff expired. Notwithstanding the above, as of the date of these financial statements, the Company has not yet issued the public deeds relating to the spinoff and to the creation of the spun-off companies because the prior regulatory authorizations have not been granted as provided under its spinoff prospectus.

On September 19, 2014, the Company, Cablevisión, ARTEAR and Radio Mitre were

served with Note No. 640 AFSCA/DGAJyR/SGAJ/DAYT/14, which stated that the analysis of the Company's filings yielded prima facie evidence of the existence of corporate relationships between Audiovisual Communication Service Units No. 1 and No. 2 due to the fact that some of the proposed trustees were individuals who were related to each other through companies, thus verifying relationships among them that could generate undue concentration practices, which would lead to a joint management of Units No. 1 and No. 2. Therefore, AFSCA granted those companies a term of 10 (ten) days to allege and provide evidence of the factual and legal circumstances that might disprove the existence of the above-mentioned relationships, the joint management of the trusts and, therefore, the breach of the antitrust and deconcentration principles provided under Law No. 26,522.

On September 22, 2014, at the General Extraordinary Shareholders' Meeting, the shareholders of the Company decided to ratify all the decisions adopted by the Board of Directors of the Company on August 15, 2014 in connection with the acceptance of the firm and irrevocable offer to purchase the shares and signals that made up Unit IV under the Proposal received from 34 South Media LLC, and consequently, to revoke the decision approved under point 5 of the Agenda of the General Extraordinary Shareholders' Meeting held on June 30, 2014 and resumed on July 11, 2014 after its adjournment.

On October 6, 2014, the Company made a filing with AFSCA in response to the request made by that agency. The Company requested that agency to dismiss without further formalities Notes No. 640/AFSCA/DGAJyR/SGAJ/DAYT/2014 and DAEYP No. 92 for being premature and manifestly inappropriate and therefore absolutely null and void. The Company also requested that AFSCA consider the explanations provided in response to its observations and compel the other intervening authorities to carry out the necessary administrative acts to enable the final completion of the procedure to conform the Company to the Audiovisual Communication Services Law. The Company also informed that agency of the decision of the controlling shareholders to change the proposed trustees who had been challenged by

that agency, reiterating that, in the Company's understanding, the trustees proposed in the event that the spinoff of Grupo Clarín would have been finally approved and implemented, would have largely complied with the Audiovisual Communication Services Law.

On October 9, 2014, AFSCA notified the Company, ARTEAR, Radio Mitre and Cablevisión of AFSCA Resolution No. 1,121/2014 whereby it decided to (i) reject the spinoff project of the Company, the spinoff project of Cablevisión, the formation of the foreign trusts and the transfers proposed by the Company, ARTEAR, Radio Mitre and Cablevisión, (ii) initiate the Ex Officio Transfer procedure pursuant to Section 1, subsection a) of Annex I of AFSCA Resolution No. 2206/2012, (iii) compel the Company, ARTEAR, Radio Mitre and Cablevisión to expressly inform, in the form of an affidavit—attaching the corresponding supporting and evidentiary documentation—within a term of fifteen (15) days, whether all of the services and registrations detailed in the list disclosed under Annex III of Action No. 22,253 AFSCA/13 were owned and/or exploited by said companies, indicating, where appropriate, which of those services and registrations were not owned by them and/or were not exploited by them; failure to do so would be sanctioned pursuant to Section 5 of Annex I of AFSCA Resolution No. 2206/2012; (iv) compel the Company, ARTEAR, Radio Mitre and Cablevisión to expressly inform, in the form of an affidavit—attaching the supporting and evidentiary documentation—within a term of fifteen (15) days, the detail of any licenses owned or exploited by such companies that may not have been included under Annex III of Action No. 22,253-AFSCA/13; failure to do so will be sanctioned pursuant to Section 5 of Annex I of AFSCA Resolution No. 2206/2012; (v) compel the Company, ARTEAR, Radio Mitre and Cablevisión to expressly inform, in the form of an affidavit, within a term of fifteen (15) days, the assets related to each license and/or services that did not appear on the list identified as “list of assets related to the service”, also indicating whether or not the inclusion of any such assets may not be appropriate; failure to do so would be sanctioned pursuant to Section 5 of Annex I of AFSCA Resolution No. 2206/2012 and (vi) request in due time the intervention of the Court of Appraisals

of Argentina, submitting to that Agency the information related to the services, detailed registrations and the essential assets related to them, and especially the agreements and assets contributed by the Company, for the purposes provided under Section 3, Subsection c), Annex I of AFSCA Resolution No. 2206/2012.

The Company believed that AFSCA Resolution No. 1121/2014 was absolutely null and void because it had been issued in manifest and public violation of the due process of law and *inaudita parte*, without notifying the Company, ARTEAR, Cablevisión and Radio Mitre of the alleged facts and/or non-compliances that had grounded such resolution.

AFSCA sought to ground its Resolution No. 1121/2014 in two alleged failures to comply with the Proposal: i) the corporate relationship and/or joint management of the business units to be created and ii) the alleged failure to comply with the committed divestitures. The companies mentioned by AFSCA as companies whose ownership and/or management would generate, in the Enforcement Authority's judgment, corporate relationships with the companies that submitted the proposal, i.e. the Company, ARTEAR, Radio Mitre and Cablevisión, (a) do not have any corporate relationship with any of those companies and, pursuant to Section 27 of the Audiovisual Communication Services Law, do not control and are not controlled by any of those companies, (b) therefore, neither the Company, nor ARTEAR, Radio Mitre or Cablevisión was ever required to disclose those companies in the Proposal. No such obligation arises from the application of the law or from the application of the regulations issued by AFSCA itself. Moreover, the companies mentioned by AFSCA do not result in the creation vertical or horizontal integration processes with any of the companies involved in the proposal, and do not infringe the multiple license regime provided under Section 45 of the Audiovisual Communication Services Law. Under the application of the Audiovisual Communication Services Law or its regulations, the Company, ARTEAR, Radio Mitre and Cablevisión were not required to identify and/or disclose information about any other company and/or venture that was not directly or indirectly related to the exploitation of audiovisual communication services identified at the time

the Proposal was submitted. The AFSCA also stated in its Resolution that the transactions proposed to divest of certain assets in Units 3, 4, 5 and 6 included provisions that would allow the Company to "recover its companies" and would prevent the prospective buyers from exercising their full ownership rights over such companies. AFSCA has allowed in other precedents identical rights, without considering them as events of non-compliance with the Audiovisual Communication Services Law. The transfer of the full ownership over the transferred assets may not be doubted, because the transfer agreement specifically provides for the acquisition of those assets by a third party in exchange for the payment of a sum of money, and in addition to the transfer of the equity interests, the Company loses its exposure, or right, over the variable returns generated by those assets as well as the ability to affect those returns.

Given the evident infringement of the guarantees of due process and defense in court, the Company, ARTEAR, Radio Mitre and Cablevisión requested the recusation of the AFSCA Directors who, without having read the internal opinions issued in this regard and even when this was not an item of the agenda, approved AFSCA Resolution No. 1121/2014, as well as the public officials who were actively involved in the process.

By means of Decree No. 1942/2014, the National Executive Branch decided to dismiss the recusation requested by the Company.

Subsequently, on October 28, 2014, the Company, Cablevisión, ARTEAR and Radio Mitre made a filing with AFSCA in order to request that agency to dismiss all the decisions rendered by the intervening Areas within the framework of Opinion No. 001488-DGAJyR/14 and to declare the nullity of AFSCA Resolution No. 1121/2014.

On October 31, 2014, Federal Civil and Commercial Court No. 1 granted an interim injunction (*medida precauteladora*) in re "GRUPO CLARÍN v. NATIONAL GOVERNMENT re/ Incidental procedure relating to appeal", whereby the court ordered the National Government and AFSCA "to abstain from performing, directly or through third parties, any action in connection with the *ex officio* transfer



procedure until a decision is rendered with respect to the injunction requested by the Company". The Company informed AFSCA of such decision through a Notarial Certificate on the very same date, October 31, 2014. Therefore, the Company was not under an obligation to respond to the requests provided under Sections 3, 4 and 5 of Resolution No. 1,121/AFSCA/2014 as long as the interim injunction is in effect.

After being served with AFSCA Resolution No. 2,276/AFSCA/2012, the claimants had requested an injunction in re "GRUPO CLARÍN v. NATIONAL GOVERNMENT re/ Incidental procedure relating to appeal" ordering the suspension of the application of point b), Subsection 3, Section 161 of Decree No. 1,225/2010, of Section C "Ex officio transfer", of Chapter III, Annex I, of AFSCA Resolution No. 297/2010, and of the ex officio transfer procedure provided under Annex I, of AFSCA Resolution No. 2,206/2012, and ordering AFSCA to abstain from: i) transferring ex officio the broadcasting licenses exploited by the claimants, ii) declaring the expiration of their licenses as a consequence of the failure to transfer such licenses ex officio and/or the breach of the challenged laws and iii) ordering the intervention and/or any other measure that might prevent the Company's normal management and the rendering of the audiovisual and internet access services until a final decision was rendered in the case. The purpose of the incidental procedure relating to appeal was to request the declaration of unconstitutionality of: 1) point b), Subsection 3, Section 161 of Decree No. 1,225/2010; 2) point 1 of Chapter 1 of AFSCA Resolution No. 297/2010, which provides for a term of thirty days to submit a proposal to conform the Company to the Audiovisual Communication Services Law; 3) Section C. "Ex officio transfer", of Chapter III, Annex I, of AFSCA Resolution No. 297/2010; 4) the first paragraph of Section 43 of Decree No. 1,225/2010; and 5) AFSCA Resolution No. 2,206/2012 to the extent it amends and regulates, in its Annex I, the ex officio transfer procedure for licenses and the essential assets related thereto. Given the fact that Resolution No. 2,276/12, which had also ordered the ex-officio forced divestiture procedure, was revoked by AFSCA after the Proposal had been submitted, the preliminary injunction was granted only after the claimants

were served notice of AFSCA Resolution No. 1,121/2014.

In view of the serious irregularities mentioned above, upon a request made by Grupo Clarín, ARTEAR and Radio Mitre in re "GRUPO CLARÍN S.A. and Other v. National Government and Other on Merely Declarative Action on Motion for appeal" (File 7,263/2012), on December 9, 2014, the National Court of First Instance on Federal Civil and Commercial Matters No. 1, Clerk's Office No. 1, granted an injunction that suspended the effects of Resolution No. 1,121/AFSCA/2014 for a term of six months. This injunction has the same purpose as the above-mentioned interim injunction. Both AFSCA and the National Government were served with this decision and they both filed an appeal. The appeals were substantiated and the file was submitted to Chamber No. 1 of the National Court of Appeals on Federal Civil and Commercial Matters, which had to render a decision on the appeals.

On February 20, 2015, the Company was served notice of the decision rendered by the National Court of Appeals on Federal Civil and Commercial Matters, Chamber No. 1, whereby, on February 19, 2015, it confirmed the decision rendered by the Court of Federal Civil and Commercial Matters No. 1 in re "GRUPO CLARÍN v. NATIONAL GOVERNMENT re Incidental Procedure."

Both the National Government and AFSCA filed an appeal against that decision to have the case brought before the Supreme Court which - once substantiated- was partially granted on April 16, 2015. Therefore, the case was submitted to the Supreme Court of Argentina which shall render a decision thereon.

The Company, Radio Mitre, ARTEAR and Cablevisión believe that they have executed the Proposal that was declared formally admissible pursuant to Resolution No. 193, fully in accordance with the commitment undertaken by them and in compliance with the applicable regulatory framework, and consider that Resolution No. 1,121/AFSCA/2014 is evidently arbitrary and inappropriate and infringes the constitutional guarantees of due process and defense in court. The procedure to approve such Resolution had serious irregularities and gross

and malicious errors relating to the interpretation and application of effective legislation, inevitably rendering such Resolution null and void. For these reasons, the affected companies requested the Resolution's nullification before an administrative court.

Therefore-and given AFSCA's arbitrary and discriminatory decisions and the Company's understanding that AFSCA made an unconstitutional application of Sections 45, 48 and 161 of Law No. 26,522, of Decree No. 1,225/10 and of the implementing regulations issued pursuant to AFSCA Resolutions Nos. 297/2010 and 2,206/2012-on March 5, 2015, the claimants broadened the scope of the claim filed in re "GRUPO CLARÍN v. NATIONAL GOVERNMENT on Incidental Procedure" (File 7,263/2012)", and requested the judge to: (i) declare that AFSCA's enforcement of Sections 45, 48 and 161 of the LSCA on the claimants through AFSCA Resolution No. 1,121/14 is unconstitutional and infringes the right to freedom of the press, property, equality before the law, due process, defense in court and the principle of reasonableness with which those powers must necessarily be exercised; (ii) declare, if necessary, that each and every resolution related to this unconstitutional enforcement, in particular AFSCA Resolution No. 1,121/14, is illegitimate and null and void; (iii) order claimants to comply with the legitimate legal obligation to conform to the LSCA, voluntarily applying the criteria adopted by AFSCA on other proposals and to order AFSCA to refrain from discriminating against the claimants in the consideration of their proposal to conform to the license regime provided under Section 45 of Law No. 26,522 and to comply with the conditions established in Recital 74 of the Supreme Court's decision in re "Grupo Clarín and Other v. National Government on Incidental Procedure" for the application of Law No. 26,522; and, (iv) order the National Government to carry out each and every act required to implement the proposal submitted by the claimants that were identified in the Proposal.

The defendants filed an appeal requesting that the Judge revoke his decision that had extended the scope of the claim. The appeal was dismissed by the Judge and became final.

On May 18, 2015, Grupo Clarín, ARTEAR and Radio Mitre requested an extension of the effects

of the interim injunction. Notice of such request was served on the defendants, which filed a response in due time and form objecting to such request. On July 15, 2015, the requested extension was granted for a term of six months, counted as from the date on which notice was served, that is to say, on July 15.

The claimants requested a new extension of the effects of the interim injunction. The Judge granted a preliminary injunction maintaining the effectiveness of the injunction on December 18, 2015, until a decision is rendered on the extension of the effects of the injunction.

The defendants filed an appeal against the extension of the effects of the interim injunction. On November 5, 2015, the Company was served with the decision rendered by Chamber No. 1 of the National Court of Appeals on Federal Civil and Commercial Matters, which on November 3, 2015 decided to confirm the extension of the effects of the interim injunction that suspends the effects of Resolution No. 1,121/AFSCA/2014 and the "Ex-Officio Transfer Procedure."

Within the framework of the claims brought by Cablevisión in view of the imminent dispossession of its assets and licenses as a result of the decisions rendered by AFSCA since the enactment of Law No. 26,522, on November 27, 2012, that company requested a preliminary injunction against AFSCA and the Executive Branch providing, among other things, that neither the National Government nor the Provincial Government nor their agencies, may intervene, confiscate, dispossess, divest, reallocate, or make a public and/or private offering of any medium, license, brand, signal, equipment, facilities and/or content owned by Cablevisión based on reasons of public interest or for any other reason. After several judicial instances, and pursuant to a decision rendered by the Supreme Court of Argentina, Cablevisión amended the original injunction request and asked the Judge to provide: (i) that neither the National Government nor the Provincial Government nor their agencies may intervene, confiscate, dispossess, divest, reallocate, or make a public and/or private offering of any medium, license, brand, signal, equipment, facilities and/or contents owned by Cablevisión S.A. based on reasons of public interest or for any other reason; (ii) that neither the National

Government nor any of its autarchic agencies may intervene or participate, directly or indirectly, in the management and administration of Cablevisión; (iii) the maintenance with full legal and temporal effects of the factual and legal situation existing as of that date with respect to the audiovisual communication and telecommunication service licenses, broadcast signals and other assets owned by Cablevisión that are necessary for that company to exercise its rights to freedom of the press, freedom of speech, and freedom of information and opinion guaranteed by the constitution; and (iv) that neither the National Government nor any of its autarchic agencies may censor, review, intervene, interfere, change or alter the contents broadcast by Cablevisión S.A.

Cablevisión provided sufficient evidence of the plausibility of its claim and of the danger of incurring any delays. Therefore, on July 10, 2015, the Federal Court of Appeals of Mar del Plata decided to grant partially Cablevisión's request, by maintaining the factual and legal situation prevailing in this case for a maximum term of three (3) months counted as from the date on which notice of its decision had been served on the enforcement authority. In addition, the Court ordered that notice of the decision should be served on the intervening administrative agency (AFSCA), provided that such notice shall in no case be deemed as an attempt to interfere with the progress of the procedure to conform the Company and some of its subsidiaries to the provisions of the LSCA, which shall continue through the pertinent legal proceedings to the extent that it does not contradict the decisions rendered by the Court of Appeals. The Court also ordered AFSCA to notify the Court of Appeals of any decision which - during the effectiveness of the injunction - may seek to change such "status" in any way.

On July 16, 2015, AFSCA and the National Government were served notice of the decision rendered by the Court of Appeals. As of the date of these financial statements, an appeal may be filed against this decision.

The term of the injunction expired and the Company requested an extension, which is pending before the Federal Court of Appeals of Mar del Plata.

On June 4, 2015, AFSCA requested a preliminary injunction ordering Cablevisión to refrain from entering into agreements, selling and/or accepting new subscribers on the grounds that the company exceeded the limit set forth under Law No. 26,522. Once the corresponding responses were filed, this request was dismissed by the Judge on July 15, 2015. To date, this decision is not yet final. This claim is pending before Civil and Commercial Court No. 1, Clerk's Office No. 1. The Court of Appeals confirmed the dismissal of the Court of First Instance.

Given the issuance of Resolution No. 1,121/AFSCA/2014, currently suspended by the court, the Company, ARTEAR and IESA made a filing before AFSCA on April 22, 2015 requesting this agency to inform them how to proceed in order to comply with the procedure established under Resolution No. 1,323/AFSCA/2014 concerning the registration of the signals "El Trece Satelital", "Magazine", "Quiero Música en mi idioma" and "Volver". These signals had been transferred by ARTEAR to IESA in accordance with the proposal that had been declared formally admissible pursuant to Resolution No. 193/AFSCA/2014. The AFSCA stated that until a final decision was rendered on the process to conform the companies involved to the LSCA, the signals had to continue to be registered under the name of its original holder, i.e. ARTEAR.

It should be noted that the decision rendered by the Supreme Court of Argentina on October 29, 2013 expressly states the claimant companies' right to claim economic damages caused to the Company and its subsidiaries as a consequence of the reorganization required to conform to the law. Accordingly, under the proposal submitted to AFSCA on November 4, 2013 the Company expressly reserved its right to bring judicial actions to claim for those damages.

On January 12, 2016, at the Extraordinary Shareholders Meeting, the shareholders of the Company considered the possibility of amending the Proposal that had been submitted pursuant to Law No. 26,522 and to the decision rendered by the Supreme Court of Argentina in re "Grupo Clarín and others v. Executive Branch and other re: Merely Declarative Action" (File 119/2010). To such end, the shareholders stated that upon submission of the Proposal, the

Company made an explicit and unequivocal reservation of rights to (i) amend the proposal submitted in the event that the Agency were to allow and/or authorize the application of a more favorable interpretation of the law with respect to any other licensee and/or holder of a registered title and (ii) challenge judicially any infringement of the guarantees of due process, equality before the law and defense in court that may take place in the process to conform to the provisions of the LSCA. The foregoing contemplated that the Company and its subsidiaries should have had and should continue to have access to all of the same mechanisms to conform to the provisions of the LSCA as the other licensees. The filing of such Proposal -which did not entail the waiver of the rights of the filing companies- was based, for that reason, on a key pillar: equal treatment under the terms of Section 16 of the Argentine National Constitution and strict compliance with the implementing regulations detailed by the Supreme Court of Argentina in the grounds of the decision rendered in the above-mentioned case, in which it states that the enforcement authority shall abide strictly by the principles of the National Constitution, the international treaties incorporated into it and the law itself, respecting equal treatment, without discriminating on the basis of dissenting opinions and guaranteeing the citizens' right to have access to plural information. Therefore, taking into consideration: (i) that AFSCA violated Section 16 of the National Constitution because it applied certain criteria in the consideration of other proposals that were different from those applied to the Proposal submitted by the Company, discriminating against the Company and its subsidiaries; and (ii) that the new regulatory framework introduced by the Emergency Decree changes the legal situation of the Company and its subsidiaries with respect to regulatory matters, the shareholders of the Company at the General Extraordinary Shareholders' Meeting held on January 12, 2016 decided: (a) To render without effect the Proposal and, therefore, to render without effect, in all relevant aspects, the decisions of the shareholders at the shareholders' meetings of March 20, 2014, of June 30, 2014- including the subsequent reconvened meeting after its adjournment on July 11, 2014-and of September 22, 2014, at which the shareholders made corporate decisions to implement such Proposal, including without limitation the

partial spinoff of the Company and its subsidiaries; (b) to maintain under the ownership of Inversora de Eventos S.A. the signals that had been previously transferred by Artear S.A., given that such sale is already consummated as of the date of the shareholders' meeting; (c) to instruct the Board of Directors of the Company to appear before the various regulatory agencies involved and to render without effect all pending requests for authorisation and/or registrations relating to the Proposal and, (d) to instruct the Board of Directors of the Company to analyze and recommend the course of action that the Company should follow in order to comply with the applicable legal framework, with special consideration of recent developments.

Finally, pursuant to Resolution No. 17/ENACOM/2016 dated February 1, 2016, the new enforcement authority recognized that all the files and/or administrative proceedings pending resolution containing requests made under the regime approved by Section 161 of Law No. 26,522 and its regulations, among which is the proposal submitted by the Company and its subsidiaries, comply with the limits relating to multiplicity of licenses established by Section 45 of Law No. 26,522 amended by Emergency Decree No. 267/2015. Therefore, they shall be deemed concluded. Also in that Resolution, the ENACOM ordered that the above-mentioned files and/or administrative proceedings be filed. In addition, in the same administrative act, ENACOM revoked Resolution No. 1,121/AFSCA/2014.

#### **11.4.2 Resolution No. 577/COMFER/09**

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 Cablevisión were not sufficient.

On March 3, 2010, the Company brought a claim seeking to nullify 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 draft notice of such decision was submitted to the Court, which then issued the official notice on December 26, 2012. Together with the draft notice, a request was submitted to set the preliminary hearing (before the discovery proceedings). Such dismissal was appealed by the COMFER and ratified by the Court of Appeals. Subsequently, the judge ordered discovery proceedings. As of the date of these financial statements, the proceeding was at the discovery stage. The COMFER (subsequently AFSCA) reported a new fact (AFSCA Resolution No. 193/2014). Cablevisión filed a response and the Court granted COMFER's request. In its decision, the Court held that the parties have different criteria about the interpretation of such resolution.

The ENACOM issued Resolution No. 17/ENACOM/2016, which revoked Resolution No. 577/COMFER/09. In this respect, the Company will report the new development in the case file.

#### **11.4.3 Other Resolutions issued by AFSCA**

We refer to Resolution No. 1,329/AFSCA/2014, which amends Resolution No. 1,047/AFSCA/2014, whereby the AFSCA

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

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

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

AFSCA was dismissed. Therefore, ARTEAR challenged before the courts that agency's decision to dismiss the claim. The claim filed before the National Executive Branch is still pending resolution.

**11.4.4 Other Matters Related to the Federal Broadcasting Committee (COMFER, for its Spanish acronym), subsequently Audiovisual Communication Services Law Federal Enforcement Authority (AFSCA), now ENACOM (for its Spanish acronym).**

**CABLEVISION**

As from November 1, 2002 and until December 31, 2015, COMFER and AFSCA have initiated summary administrative proceedings against Cablevisión and Multicanal (merged into Cablevisión) for infringements of regulations relating to programming content. Accordingly, a provision has been set up in this regard.

**ARTEAR**

Certain payment agreements that had been delivered by AFSCA to ARTEAR were deemed to enter into effect as of July 2, 2015. That company was authorized to adhere to the payment plan relating to infringements committed between November 21, 2002 and June 23, 2010, payable in sixty monthly installments starting on August 31, 2015. ARTEAR was also authorized to adhere to the applicable payment plan for infringements committed between June 24, 2010 and June 11, 2014, payable in thirty monthly installments starting on August 31, 2015. ARTEAR had set up provision for the amounts assessed and notified by AFSCA that were included in the payment plan.

**11.4.5. Bidding terms for the award of a physical link subscription television services.**

Pursuant to Resolution No. 432/2011, AFSCA approved new bidding terms and conditions for the granting of licenses for physical link subscription television services. As a consequence of the issuance of AFSCA Resolution No. 193/2014, Cablevisión purchased Bidding Forms to apply for certain licenses, in cases in which, as a consequence of the license consolidation process that was implemented, locations that used to be authorized as area extensions had to become license heads as a result of the reorganization, and also in the cases in which the original term had fully expired.

Notwithstanding the foregoing, Cablevisión understands that the filings made by that Company became moot as a result of the application of the Emergency Decree, see Note 11.4.3.

**11.4.6. Other charges brought by AFSCA.**

Between September and October 2011, AFSCA brought 46 charges for 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, relating to the registration of the corporate reorganization whereby Multicanal and Teledigital, among other subsidiaries, merged into Cablevisión and in which through Resolution No.

577/COMFER/09 the merger process had been rejected. Even though Cablevisión submitted the appropriate responses on behalf of the merged licensees that had been charged, no decision was ever rendered in that respect. Subsequently, the ENACOM issued Resolution No.

17/ENACOM/16, whereby it revoked Resolution No. 577/COMFER/09. Therefore, Cablevisión understands that the charges became moot and, therefore, it will request the ENACOM to file the proceedings.

**11.4.7. Programming Grid**

AFSCA Resolution No. 296/2010, as amended and/or supplemented, provided guidelines for the organization of the programming grids that had to be followed by the owners of subscription television audiovisual services. This resolution regulated section 65, subsections a) and b) of the LSCA and supplemented the provisions of the regulations to the same section of Decree No. 1,225/2010.

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 initiated multiple summary proceedings in connection with the cable television licenses of which Cablevisión is the lawful successor. AFSCA contended that Cablevisión had 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, while other proceedings

are pending resolution. Cablevisión has appealed these decisions. Some of the appeals filed by Cablevisión have been decided against it and were appealed.

Insofar as Cablevisión is concerned, as of the date of these financial statements, an injunction issued 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 the City of Mar del Plata, whereby that Court revoked the decision rendered in the First Instance, remains in full force and effect. The decision rendered in the First Instance had ordered the dismissal of Cablevisión’s request. The Court of Appeals ordered 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. Therefore, it also suspended 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 was dismissed. Consequently, AFSCA filed a direct appeal with the Supreme Court, which 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. 1.225/2010 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 has 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 that court imposed a fine on Cablevisión of Ps. 20,000 per day for each day of delay in complying with the injunction

that ordered Cablevisión to comply with Section 65 of Decree No. 1.225/2010 and AFSCA Resolution No. 296/2010. Cablevisión filed an appeal against that decision in due time and form. However, the Court of Appeals ignored the strong grounds asserted by Cablevisión; partially confirmed the decision rendered in the first instance; and reduced the fine to Ps. 2,000 per day for each day of delay, to be calculated as from the date the decision is deemed final. An appeal was filed with the Supreme Court of Argentina, which was dismissed by the intervening Chamber. Cablevisión filed an appeal against such decision, which was dismissed by the Supreme Court of Argentina.

On October 21, 2013 Cablevisión was served with new charges brought for alleged noncompliance with AFSCA Resolution No. 296/2010, clearly violating the preliminary injunction mentioned above. Accordingly, Cablevisión filed an appeal, but no decision has been rendered on the matter as of the date of these financial statements.

On December 23, 2013, Cablevisión informed AFSCA of its new programming grid in digital and analogical systems, expressly maintaining the reserves brought to continue challenging the legality and constitutionality of section 65 of Decree No. 1,225/2010 and AFSCA Resolution No. 296/2010, as amended.

Section 7 of the Emergency Decree, which amends, among others, Section 10 of Law No. 27,078 sets forth that all the physical link and radio electric link subscription television services shall be governed by the Digital Argentina Act. Therefore, Cablevisión is no longer subject to Section 65 and its implementing regulations.

#### **11.4.8. Fibertel License.**

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, 2.375/97, 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. 100/10, revoking Fibertel's license.

Cablevisión believed that the Resolution was arbitrary and that it flagrantly violated due process and its defense right. Therefore, Cablevisión appealed such resolution.

On August 19, 2010 the Media Secretariat issued Resolution No. 100/10, whereby it revoked the license that had been granted to Fibertel. Cablevisión believed that this resolution was an absolutely null and void administrative act. Its language contradicted express provisions of the National Constitution, of Law No. 19,550 (Argentine Business Associations Law), as amended, 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 General 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. 132/10 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 Services ("MINPLAN", for its Spanish acronym).

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 National Court of Appeals on Federal Civil and Commercial Matters. On October 23, 2014, the preliminary injunction was ratified by the National Court of Appeals. The National Government filed an appeal against the decision rendered by the National Court of Appeals to have the case brought before the Supreme Court. Such appeal was dismissed by the Court of Appeals and the National Government filed a direct appeal with the Supreme Court.

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 that prevents it from affecting in any way the Internet access services offered by Cablevisión. That decision was subsequently revoked by Chamber No. 3 of the National Court of Appeals on Federal Civil and Commercial Matters.

Based on the decisions rendered by Chamber No. 3 on the above-mentioned preliminary injunctions, Cablevisión is authorized to continue to render the telecommunication services granted to Fibertel.

The Ministry of Communications, as the highest government agency, replacing the MINPLAN with respect to this specific competence, issued Resolution No. 5/2016, which was notified on February 29, 2016, whereby it revoked SECOM Resolution No. 100/2010 for legitimacy reasons.

This Resolution, which had been issued by the former Secretariat of Communications, had revoked the exclusive telecommunication service license held by Fibertel S.A., which was merged into Cablevisión S.A.

#### **11.4.9. Nextel**

On September 10, 2015, the Board of Directors of Cablevisión approved the assignment of the rights and obligations held by Grupo Clarín under an offer it had submitted to NII Mercosur Telecom, S.L.U. and NII Mercosur Móviles, S.L.U. (hereinafter, the “Sellers”) for the acquisition of 49% of the capital stock of NEXTEL COMMUNICATIONS ARGENTINA S.R.L. and an option to acquire, together with its subsidiary Televisión Dirigida S.A., subject to certain conditions -among them, the regulatory approvals- 51% of the remaining capital stock. The price of the transaction was USD 165 million (out of this amount, USD 80 million accounts for 49% and USD 85 million accounts for 51%) plus the right to collect an additional amount of up to USD 13 million subject to the fulfillment of certain conditions. The offer submitted by Grupo Clarín was subject to the acceptance of the Sellers. On September 11, 2015, the Sellers accepted the offer submitted by Grupo Clarín and, on the same date, the Sellers accepted the assignment of the rights under such offer in favor of Cablevisión, offering Cablevisión the acquisition of 49 % of the capital stock of Nextel and the option to acquire the remaining 51%. In order to guarantee the rights and obligations under the offer, the capital stock owned by NII Mercosur Móviles, S.L.U. was pledged (subject to registration with the Public Registry of Commerce). The transaction was executed on September 14, 2015 with the aggregate payment by Cablevisión and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million guarantee fund with the balance to cover any potential liabilities of Nextel (this fund was set up on October 7, 2015). In addition, upon the fulfillment of certain conditions precedent, on October 1, 2015, Cablevisión paid to the Sellers the additional amount of USD 12,73 million. As of the date of these financial statements, the assignment of 49 % of the capital stock of Nextel in favor of Cablevisión has not yet been registered with the Public Registry of Commerce. Nextel will continue to be controlled and operated by the Sellers until the option to acquire the remaining

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

Since the implementing regulations for Law No. 27,078 had not yet been issued, Decree No. 764/00 continued to apply, pursuant to Section 13 of the Digital Argentina Act. In full compliance with current regulations, before exercising the above-mentioned call option, a request would be filed before AFTIC to obtain the prior approval required under the regulatory framework.

Cablevisión and the Company, together with Nextel, notified AFTIC of the transaction and in that same act they requested the recusal for cause of the Directors Norberto Carlos Berner and Nicolás Ernesto Karavaski.

Through Decree No. 1,950/15, the National Executive Branch dismissed the requested recusations.

Subsequently, through Resolution No. 326/2015, AFTIC rendered a decision whereby it considered that the transaction executed between Grupo Clarín, NII Mercosur Telecom, S.L.U. and NII Mercosur Móviles, S.L.U. infringed current regulations, in the understanding that there was a change of control of the licensee. In that same act, AFTIC held that Grupo Clarín and Cablevisión were not to be considered parties to the administrative proceeding since they did not have a legitimate interest and ordered Nextel, subject of the transfer of 49% of its capital stock, to cancel the above-mentioned transfer.

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

After both administrative acts became public, the Company and Cablevisión, which had not been served with Resolution No. 326/2015, made a filing before AFTIC requesting access to the

administrative file. The request was dismissed by the Enforcement Authority through Resolution No. 2,472/2015 on the grounds that the Company and Cablevisión were not considered to be parties to the proceeding.

On October 9, 2015, Grupo Clarín and Cablevisión filed an appeal against both administrative acts (Resolutions No. 325/2015 and 326/2015) grounding their legitimate interest on their acquisition of 49 % of the licensee. Regarding Resolution No. 326/2015, Grupo Clarín and Cablevisión stated that a transfer of control had not taken place as alleged by AFTIC. With regard to the requests for extension of certain frequencies, which had been timely requested, Grupo Clarín and Cablevisión believe that their dismissal infringes applicable law and the most essential principles of administration of the radio electric spectrum.

Nextel first requested the suspension of the effects of Resolutions No. 325/2015 and 326/2015, respectively, and then filed an appeal against both acts.

Therefore, on January 29, 2016, Cablevisión and Nextel made a filing before the ENACOM as established under Section 8 of Decree No. 267/15 which amends Section 13 of Law No. 27,078 in order to request authorization for the change of control in full compliance with the new legal framework.

The ENACOM issued Resolution No. 133/2016, whereby it decided to grant partially the appeals that had been filed by Cablevisión against AFTIC Resolution No. 326/2015 to reconsider the request for approval of the transfer of control.

The ENACOM issued Resolution No. 134/2016, whereby it decided to grant partially the appeal filed by NEXTEL COMMUNICATIONS ARGENTINA S.R.L. against AFTIC Resolution No. 325/2015, rendering without effect the decision of that agency that had revoked the frequencies allocated to that licensee in respect of which an extension had been requested. Subsequently, through ENACOM Resolution No. 281/2016, the Enforcement Authority decided to authorize the extensions requested for a term of ten (10) years counted as from the original expiration of those authorizations.

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

Through ENACOM Resolution No. 280/2016, served on Cablevisión on March 8, 2016, the Enforcement Authority authorized the changes in the equity interests of Nextel in favor of Cablevisión S.A.

#### **11.4.10 Audiovisual Communications Law of the Republic of Uruguay**

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

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

Adesol S.A. is analyzing the possible impact on its business that could be derived from the change in the regulatory framework and the eventual legal actions it may bring to safeguard its rights and those of its shareholders. That company is also monitoring the different unconstitutionality claims filed by other

companies against certain sections of the above-mentioned law to consider whether the decisions to be rendered by the Supreme Court in those proceedings may be favorable to the position of Adesol S.A. in the future. As of the date of these financial statements, the Supreme Court has not yet issued any decision on those proceedings. However, the Prosecutor’s Office has issued four opinions in this respect, which are not binding on the Ministers of the Supreme Court.

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 Cablevisión and its subsidiaries in the Republic of Uruguay. The Company’s financial statements should be read in the light of this uncertain environment.

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#### **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-endorsable 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-endorsable shares, with nominal value of Ps. 1 each and entitled to 1 vote per share.

On October 5 and 11, 2007, the CNV and BCBA, respectively, granted authorization for the Company’s admission to the initial public offering of its capital stock. 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-endorsable Class C common shares, trading of which was suspended due to restrictions on transfers set forth by the Bylaws. Also in the last quarter of 2007, the Company was granted authorization for the listing of its GDSs in the LSE. Each GDS represents two of the Company’s Class B common shares.

## Note 13

### Long-Term Savings Plan for Employees

During the last quarter of 2007, the Company, together with its subsidiaries, began to implement a long-term savings plan 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 long-term savings plan.

Said plan provides for certain special conditions for those managers who were in the “executive payroll” before January 1st, 2007. Such conditions consist of supplementary contributions made by each company to the plan related to the executive’s years of service with the Group. As of December 31, 2015, 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.

During 2013, and in view of the current environment, certain changes were made to the savings system, though maintaining in its essence the operation mechanism and the main characteristics with regard to the obligations undertaken by the company.

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 (Debt less Cash and Cash Equivalents) divided by shareholders’ equity.

The debt-to-equity ratio for the years ended December 31, 2015 and 2014 is as follows:

|                                 | December 31, 2015 | December 31, 2014 |
|---------------------------------|-------------------|-------------------|
| Loans (i)                       | 287,999,976       | 231,387           |
| Less: Cash and Cash Equivalents |                   |                   |
| - Cash and Banks                | (12,193,114)      | (5,755,391)       |
| - Other Current Investments     | (19,848,419)      | (60,603,314)      |
| Net Debt                        | 255,958,443       | (66,127,318)      |
| Equity                          | 7.232.950.673     | 5,483,022,374     |
| Debt-to-Equity Ratio            | 0.04              | (0.01)            |

(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.

#### 14.1.2 Categories of Financial Instruments

|                                                         | December 31, 2015  | December 31, 2014  |
|---------------------------------------------------------|--------------------|--------------------|
| <b>Financial Assets</b>                                 |                    |                    |
| Loans and Receivables <sup>(1)(2)</sup>                 |                    |                    |
| - Cash and Banks                                        | 12,193,114         | 5,755,391          |
| - Current Investments                                   | -                  | 31,382,473         |
| - Other Receivables                                     | 153,785,760        | 118,899,844        |
| At fair value with an impact on net income              |                    |                    |
| - Current Investments                                   | 19,848,419         | 29,220,841         |
| <b>Total Financial Assets</b>                           | <b>185,827,293</b> | <b>185,258,549</b> |
| <b>Financial Liabilities</b>                            |                    |                    |
| At amortized cost                                       |                    |                    |
| - Debt <sup>(3)</sup>                                   | 287,999,976        | 231,387            |
| - Accounts Payable and Other Liabilities <sup>(4)</sup> | 59,586,800         | 43,812,519         |
| <b>Total Financial Liabilities</b>                      | <b>347,586,776</b> | <b>44,043,906</b>  |

(1) Net of the allowance for doubtful accounts of Ps. 33.8 million and Ps. 31.3 million, as of December 31, 2015 and 2014, respectively.

(2) Includes receivables with related parties of Ps. 150.9 million and Ps. 114.5 million, as of December 31, 2015 and 2014, respectively.

(3) Debts with related parties.

(4) Includes debts with related parties of Ps. 2.2 million and Ps. 1.8 million, respectively, as of December 31, 2015 and 2014.

#### 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, 2015 and 2014, the Company was not a party to agreements involving derivatives.

#### 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 (US dollars) at the closing of the years ended December 31, 2015 and 2014:

|                                  | USD               | USD               |
|----------------------------------|-------------------|-------------------|
|                                  | December 31, 2015 | December 31, 2014 |
| <b>Assets</b>                    |                   |                   |
| <b>Current Assets</b>            |                   |                   |
| Cash and Banks                   | 101,142           | 79,743            |
| Other Investments                | 1,533,881         | 6,090,787         |
| Other Receivables                | 1,090             | 395               |
| <b>Total Current Assets</b>      | <b>1,636,113</b>  | <b>6,170,925</b>  |
| <b>Total Assets</b>              | <b>1,636,113</b>  | <b>6,170,925</b>  |
| <b>Liabilities</b>               |                   |                   |
| <b>Current Liabilities</b>       |                   |                   |
| Debt                             | 22,065,151        | -                 |
| <b>Total Current Liabilities</b> | <b>22,065,151</b> | -                 |
| <b>Total Liabilities</b>         | <b>22,065,151</b> | -                 |

Bid/offered exchange rates as of December 31, 2015 and 2014 were of Ps. 12.94 and Ps. 13.04; and Ps. 8,451 and Ps. 8,551; respectively.

#### 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 20% increase in the exchange rate, assuming that all the remaining variables remain constant.

|            | Effect in Ps.<br>December 31, 2015 | Effect in Ps.<br>December 31, 2014 |
|------------|------------------------------------|------------------------------------|
| Net Income | (53,311,653)                       | 10.430.097                         |

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.

#### 14.1.5 Interest Rate Risk Management

At the closing of the year, the Company does not have any financial 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, 2015  | December 31, 2014  |
|------------------------------|--------------------|--------------------|
| Payable on Demand            | 32,041,533         | 34,976,232         |
| Without any established term | 148,670,847        | 106,684,537        |
| Due                          |                    |                    |
| Up to three months           | 5,114,913          | 43,597,780         |
|                              | <b>185,827,293</b> | <b>185,258,549</b> |

#### 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 cash flows (principal plus contractual interest):

|                                             | Debt               | Accounts Payable and Other Liabilities | Total as of December 31, 2015 |
|---------------------------------------------|--------------------|----------------------------------------|-------------------------------|
| Without any established term                | 270,411            | 3,543,506                              | 3,813,917                     |
| Due                                         |                    |                                        |                               |
| Up to three months                          | 132,650,740        | 29,322,858                             | 161,973,598                   |
| More than three months and up to six months | 162,723,033        | 26,720,436                             | 189,443,469                   |
|                                             | <b>295,644,184</b> | <b>59,586,800</b>                      | <b>355,230,984</b>            |

#### 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, 2015 | Quoted Prices (Level 1) | Other Significant Observable Items (Level 2) |
|---------------------|-------------------|-------------------------|----------------------------------------------|
| Assets              |                   |                         |                                              |
| Current Investments | 19,848,419        | -                       | 19,848,419                                   |

|                     | December 31, 2014 | Quoted Prices (Level 1) | Other Significant Observable Items (Level 2) |
|---------------------|-------------------|-------------------------|----------------------------------------------|
| Assets              |                   |                         |                                              |
| Current Investments | 29,220,841        | 9,130,072               | 20,090,769                                   |

Financial assets are valued using quoted prices for identical assets and liabilities (Level 1), or the prices of similar instruments arising from sources of information available in the market (Level 2). As of December 31, 2015 and 2014, the Company did not have any asset or liability 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 because these are instruments with short-term maturities.

As of December 31, 2015 and 2014, the Company did not have long-term financial liabilities.



## Note 15

### Covenants, Sureties and Guarantees provided

a. Note 5.12 to the consolidated financial statements 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. 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.

e. 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.

f. GCSA Investments executed an agreement with Itaú Unibanco S.A., New York branch, to secure a financing transaction of a subsidiary of the Group by creating a security interest on a term deposit held in escrow at the above-mentioned bank in the aggregate amount of USD 20.2 million, which matures in July 2015. On April 29, 2015, GCSA Investments executed an agreement with Itaú Unibanco S.A., New York branch, whereby it reduced to USD 5.2 million the above-mentioned security interest. In addition, on July 24, 2015, GCSA Investments terminated the agreement executed with Itaú Unibanco S.A., New York branch.

g. During 2014, AGR financed the acquisition of machinery and equipment through leasing agreements mentioned in Note 5.12.2 to

consolidated financial statements. Grupo Clarín and AGEA are joint debtors of said financing.

h. On August 28, 2015, Grupo Clarín became the guarantor of certain financial obligations of AGEA with Banco Santander Rio S.A. for a term of 90 days.

i. On July 24, 2015, Grupo Clarín became the guarantor to secure certain financial obligations of AGEA, AGR and Cúspide with Banco Itaú Argentina S.A.

## Note 16

### Changes in the Company's 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. (now Interwa S.A.), where it now holds 80% of the capital stock. CMD paid approximately Ps. 4.3 million in consideration for the shares.

On November 25, 2014, one of the sellers of Interwa S.A.'s shares, as mentioned in Note 10 to these consolidated financial statements, exercised its put option for 6.66% of the shares of that company for approximately Ps. 1.5 million, payable in six monthly installments as from December 2014.

On January 8, 2015, CMD exercised the call option of an additional 6.66% of the equity interest in Interwa S.A. as mentioned in Note 10 to these consolidated financial statements for approximately Ps. 1.5 million, payable in five monthly installments as from January 2015.

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., and subsequently dissolved). The transaction amounted to USD 2.8 million and Ps. 3.8 million.

During 2014, the direct and indirect equity interest of AGEA in Cúspide increased to approximately 93.5%, mainly as a result of AGR's purchase of shares of Cúspide on April 26, 2014 and the capital increase approved by the shareholders of Cúspide at that company's General Extraordinary Shareholders' Meeting held on June 30, 2014, which was fully subscribed by AGR. The total cost of these transactions amounted to approximately Ps. 21 million.

During 2015, AGEA increased its direct and indirect interest in Cúspide to approximately 97.6% mainly as a result of the capital increase approved by the shareholders of Cúspide at that

company's General Extraordinary Shareholders' Meeting held on October 23, 2015, which was fully subscribed by AGR.

g. On November 14, 2013 ARTEAR assigned, sold and transferred to South Media Investments S.A. all of its equity interest in Ideas del Sur S.A. ("IDS"), accounting for 30% of the capital stock and votes of that company, together with all the political and economic rights inherent to the shares. The sale price was set at USD 12 million, which was collected in full as of December 31, 2013. The assignment, sale and transfer of those shares was carried out "as is" under the economic, financial, equity, tax and legal conditions of the shares and of IDS at the time, considered as a whole. Accordingly, ARTEAR was held harmless from any and all responsibility regarding the existence of any "certain", "contingent" or "hidden" liabilities (current or non-current) of IDS, that may have existed or originated prior to the closing date of the transaction, regardless of whether those liabilities were or were not disclosed in IDS' financial statements. Based on the above, South Media Investments S.A. assumed the risk of the existence and/or emergence of liabilities in connection with IDS that may have existed or originated prior to the closing date of the transaction, regardless of whether such liabilities already existed or may become evident or enforceable in the future. South Media Investments S.A. firmly and irrevocably waived its right to bring any claim to which it may be deemed entitled against ARTEAR in this respect, holding it harmless -also firmly and irrevocably- from any and all such liabilities.

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

The offer submitted by Grupo Clarín was subject to the acceptance of the Sellers. On September 11, 2015, the Sellers accepted the offer submitted by Grupo Clarín and, on the same date, the Sellers accepted the assignment of the rights under such offer in favor of Cablevisión, offering Cablevisión the acquisition of 49% of the capital stock of Nextel and the option to acquire the remaining 51%. In order to guarantee the rights and obligations under the offer, the capital stock owned by NII Mercosur Móviles, S.L.U. was pledged (subject to registration with the Public Registry of Commerce). The transaction was executed on September 14, 2015 with the aggregate payment by Cablevisión and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million guarantee fund with the balance to cover any potential liabilities of Nextel (this fund was set up on October 7, 2015). In addition, upon the fulfillment of certain conditions precedent, on October 1, 2015, Cablevisión paid to the Sellers the additional amount of USD 12.73 million. As of the date of these financial statements, the assignment of 49 % of the capital stock of Nextel in favor of Cablevisión has not yet been registered with the Public Registry of Commerce. Nextel will continue to be controlled and operated by the Sellers until the option to acquire the remaining 51% of the capital stock has been exercised. In addition, on January 27, 2016, Cablevisión and its subsidiary Televisión Dirigida S.A. decided to exercise the option to acquire the remaining 51% of the capital stock and votes of Nextel, and, consequently, Cablevisión became the holder of 51.4% of the capital stock and votes of Nextel and Televisión Dirigida S.A. became the holder of the remaining 48.6% (See Note 11.4.9).

Cablevisión and its subsidiary Televisión Dirigida S.A. have one year as from the date of acquisition of 51% of the capital stock to allocate the cost of acquisition and calculate goodwill, in proportion to their equity interest.

Cablevisión concluded the process of allocating the purchase price of 49% of the capital stock of Nextel and calculated a gain from this acquisition of Ps. 316.7 million disclosed under the item "Equity in Earnings from Affiliates and Subsidiaries" of the Consolidated Statement of Comprehensive Income, mainly due to the fact that the valuation of its identifiable assets, liabilities and contingent liabilities in proportion to its equity interest exceeds the acquisition cost.

During the last quarter of 2015, Cablevisión's investment in Nextel generated a total gain of Ps. 85 million, mainly as a result of the purchase of Nextel.

According to the Special Financial Statements of Nextel for the three-month period ended December 31, 2015, sales, income after taxes from continuing operations and net assets amounted to Ps. 870.8 million, Ps. 173.6 million and Ps. 2,451,1 million, respectively.

i. On September 30, 2015, ARTEAR and AGEA, together with other companies, created a company under the name "RPA Media Place S.A.," engaged in advertising on digital websites, with an equity capital of Ps. 100,000. Each of ARTEAR and AGEA hold a 19% interest in RPA Media Place S.A. As of the date of these financial statements, the incorporation of that company is pending registration with the IGJ.

j. On August 20, 2015, FEASA together with Publirevistas S.A., created a company under the name "Exponenciar S.A.," engaged in the organization, development and operation of fairs, exhibitions, seminars and conferences, with an equity capital of Ps. 100,000. FEASA holds a 50% interest in Exponenciar S.A. As of the date of these financial statements, the incorporation of that company is pending registration with the IGJ.

k. On October 8, 2015, CMD entered into a stock purchase agreement, whereby it increased its interest in Electro Punto Net S.A. by 26%. The amount of this operation is approximately Ps. 11.8 million. In December 2015, Electro Punto Net S.A. capitalized irrevocable contributions made by CMD for Ps. 8 million, increasing its interest to 54.3% in the capital stock of Electro Punto Net S.A.

l. On June 16, 2015, the Company and AGR executed an Agreement relating to Irrevocable Contributions on Account of Future Share Subscriptions whereby the Company undertakes to make a Ps. 10 million contribution to AGR.

m. On July 08, 2015, the Company and AGEA executed an Agreement Relating to Irrevocable Contributions on Account of Future Share Subscriptions whereby the Company undertakes to make a contribution of approximately Ps. 123.8 million in AGEA.

## Note 17

### **Law No. 26,831 Capital Markets**

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

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

On September 5, 2013 within the framework of the Capital Markets Law and its Decree, the CNV issued Resolution No. 622/2013 (the

"Rules"), whereby it approved the applicable Rules that repeal the Rules that had been effective until that date (as restated in 2001). The new Rules have introduced several changes in connection with CNV's powers over the companies under that agency's oversight, and also in connection with the information that these companies must disclose.

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

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## Note 18

### **Information required under CNV Resolution No. 629 - Record Keeping**

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

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

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## Note 19

### Extinction of the notes issued by AGEA

As mentioned in Note 5.12.2 to the consolidated financial statements, on January 28, 2014, AGEA repaid all of the USD 30.6 million aggregate principal amount outstanding and interest accrued as of such date on the Series C Notes issued by that company under the Global Program.

Pursuant to Article 16, Section V of Chapter I of Title III of the Restated Rules issued by the CNV, which governs the delisting due to non-existence of outstanding securities, upon the extinction of the Series C Notes, AGEA filed the required documentation with the CNV.

On August 5, 2014, the CNV served AGEA with a notice requesting the latter to submit information to prove the extinction of Series A, B and D Notes, issued by that company under the Global Program for the Issuance of Notes. On August 12, 2014, AGEA submitted the information requested by the CNV, providing evidence of the extinction of the notes.

On October 8, 2014, the CNV requested AGEA to make a filing in connection with the delisting. On October 16, 2014, AGEA submitted a Note to the CNV whereby it requested delisting due to the extinction of its notes. As of the date of these financial statements, the CNV has not rendered a decision on this matter.

Once the authorization for public offering is cancelled due to the non-existence of outstanding securities, AGEA shall no longer be subject to the applicable regulations and legislation issued by the CNV, and shall become subject to the jurisdiction of the IGJ, and, therefore, to that agency's regulations.

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Signed for identification purposes  
with the report dated March 9, 2016

**Carlos Alberto Pedro Di Candia**  
Chairman of the Supervisory Committee

See our report dated March 9, 2016  
Price Waterhouse & Co. S.R.L.  
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

**Dra. Teresita M. Amor** (Partner)  
Certified Public Accountant (UBA)  
C.P.C.E.C.A.B.A. VOL. 145 - FOL. 150

## Note 20

### Subsequent Events

a. The events that took place subsequent to the closing of this year related to the regulatory framework applicable to the Company and its subsidiaries are described in Note 11.1.

b. In February 2016, Radio Mitre was served with a filing against it of a lawsuit seeking to extend to Radio Mitre the bankruptcy of one of its subsidiaries, Cadena País Producciones Publicitarias S.A., in connection with a case pending before one of the National Courts of First Instance on Commercial Matters of the City of Buenos Aires. Our legal advisors believe that that company has sufficient legal and factual grounds to support its position contrary to that claim and, therefore, they do not foresee any adverse effects that may be derived from this situation.

c. During January 2016, at the Shareholders' Meeting of AGEA, the Shareholders approved the capitalization of the irrevocable contributions made by Grupo Clarín.

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## Note 21

### 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 9, 2016.

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**Additional Information to the Notes to the Financial Statements - Section No. 68 of the Regulations issued by the Buenos Aires Stock Exchange and Section No. 12 Title IV Chapter III of General Resolution No. 622/13 of the Argentine Securities Commission**

Balance Sheet as of December 31, 2015

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. See also the issues mentioned in Note 11.
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) 147,969,916    | 2,449,059              |
| Due                                          |                    |                        |
| - Within three months                        | (2) 2,952,480      | 130,900,164            |
| - More than six months and up to nine months | -                  | 156,829,401            |
| <b>Total</b>                                 | <b>150,922,396</b> | <b>(1) 290,178,624</b> |

(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, 2015, 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.

Signed for identification purposes  
with the report dated March 9, 2016

See our report dated March 9, 2016  
Price Waterhouse & Co. S.R.L.  
C.P.C.E.C.A.B.A. VOL. 1 - FOL. 17

**Carlos Alberto Pedro Di Candia**  
Chairman of the Supervisory Committee

**Dra. Teresita M. Amor** (Partner)  
Certified Public Accountant (UBA)  
C.P.C.E.C.A.B.A. VOL. 145 - FOL. 150

**Jorge Carlos Rendo**  
Chairman

## Independent Auditor's Report

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**

### Report on the Parent Company Only Financial Statements

We have audited the attached parent company only financial statements of Grupo Clarín S.A. (the "Company") which comprise the parent company only balance sheet at December 31, 2015, the parent company only statements of comprehensive income, 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 2014 are an integral part of the above-mentioned audited financial statements, so they are to be considered in the light of those financial statements.

### Board of Directors' responsibility

The Board of Directors of the Company is responsible for the preparation and fair presentation of the 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. Further, the Board of Directors is responsible for the internal control it may deem necessary to enable preparing the parent company only financial statements free of material misstatements caused by errors or irregularities.

### Auditor's responsibility

Our responsibility is to express an opinion on the parent company only financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards were adopted as auditing standards in Argentina by Technical Resolution No. 32 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE, for its Spanish acronym) as they were approved by the International Auditing and Assurance Standards Board (IAASB) and require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the parent company only financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the parent company only financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the parent company only financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the parent company only financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the parent company only financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the parent company only financial statements mentioned in the first paragraph of this report present fairly, in all material respects, the parent company only financial position of Grupo Clarín S.A. as of December 31, 2015 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.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes 10.1.b., 10.1.c., 11.2., 11.3., 10.1.a. and 9.4.10 to the parent company only financial statements, which describe the situations related to: (i) matters associated with the acquisition of Cablevisión S.A. and other companies and their subsequent merge with Multicanal S.A. and other companies; (ii) the change in the regulatory



framework of the Telecommunications Sector resulting from the passing of the Digital Argentina Act, which regulation is pending as of the date of this report; (iii) the issuance of Emergency Decree No. 267/15 which introduced changes to the regulatory framework of the Audiovisual Communication Services and Telecommunications Sector, and through which was created the ENACOM to act as authority to enforce Laws 26,522 and 27,078 ;(iv) the resolution issued by the regulator to determine the monthly fee payable by the users of cable television services, which final outcome cannot be foreseen to the date of this report; and (v) the enactment of Law No. 19307 in the Republic of Uruguay regulating the main activities of Adesol S.A., a Cablevisión S.A. subsidiary, which regulation is pending as of the date of this report.

#### **Report on compliance with current regulations**

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 and Article 12°, Chapter III, Title IV of the regulations of the Argentine Securities Commission, on which, as regards those matters that are within our competence, we have no observations to make;
- d) At December 31, 2015 the debt accrued in favor of the (Argentine) Integrated Social Security System according to the Company’s accounting records and calculations amounted to \$2.836.612,52, none of which was claimable at that date;

e) In accordance with the requirements of Article 21°, Subsection e), Chapter III, Section VI, Title II of the regulations of the Argentine Securities Commission, we report that the total fees for audit services and related billed the Company in the year ended December 31, 2015 represent:

- e.1) 78% on the total fees for services invoiced to the Company for all concepts in that year;
- e.2) 12% on the total fees for audit and related services invoiced to the Company, its parent companies, subsidiaries and affiliates in that year;
- e.3) 11% 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 9, 2016

Price Waterhouse & Co. S.R.L.

by **Teresita M. Amor** (Partner)

## Supervisory Committee's Report

English free translation  
of the Report originally  
issued in Spanish

**To the Shareholders of:  
Grupo Clarín S.A.  
TAX ID No. 30-70700173-5  
Registered office: Piedras 1743  
City of Buenos Aires**

### I. REPORT ON THE FINANCIAL STATEMENTS

In our capacity as members of Grupo Clarín S.A.'s Supervisory Committee and pursuant to Subsection 5, Section 294, of the Argentine General Associations Law (Law No. 19,550, as amended), the regulations of the Argentine Securities Commission ("CNV", for its Spanish acronym) and of the Buenos Aires Stock Exchange ("BCBA", for its Spanish acronym), we have performed a review of the documents mentioned below:

#### Documents subject to review:

- a) The attached Parent Company Only Financial Statements of Grupo Clarín S.A. comprising the Parent Company Only Balance Sheet as of December 31, 2015, the Parent Company Only Statement of Comprehensive Income, the Parent Company Only Statement of Changes in Equity and the Parent Company Only Statement of Cash Flows for the year then ended.
- b) The attached Consolidated Financial Statements of Grupo Clarín S.A. and its subsidiaries comprising the Consolidated Balance Sheet as of December 31, 2015, 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.
- c) A summary of the material accounting policies and other explanatory information.

The balances and other relevant information for the year 2014 are an integral part of the audited financial statements mentioned above and shall be considered in connection with said financial statements.

### II. 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 indicated in paragraph I. in accordance with the professional accounting standards established by Technical Resolution No. 26 issued by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE", for its Spanish acronym) 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 attached parent company only financial statements; and (ii) the consolidated financial statements mentioned in paragraph I. 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 and parent company only financial statements are free from material misstatements arising from errors or irregularities.

### III. RESPONSIBILITY OF THE SUPERVISORY COMMITTEE

Our responsibility is to report on the documents indicated in paragraph I. based on our statutory audit and the audit work carried out by the Company's external auditors. Our work was performed in accordance with effective statutory auditing standards. Said standards require that the review of the financial statements 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 paragraph I., we have reviewed the work performed by the Company's

external auditor Teresita M. Amor, a partner of Price Waterhouse & Co. S.R.L., who issued her audit reports on March 09, 2016. She conducted her audit in accordance with International Standards on Auditing (IAS). Our work included the review of the work plan, the nature, scope and timeliness of the procedures applied and the results of the audit carried out by the external auditor.

IAS were adopted as auditing standards in Argentina through Technical Resolution No. 32 issued by the FACPCE as approved by the International Auditing and Assurance Standards Board (IAASB) and require that the auditor comply with ethical requirements, plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain evidence supporting the amounts and other information disclosed in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the financial statements due to fraud or error. In making those risk assessments, the auditor must consider the internal control related to the preparation and fair presentation by the Company of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, the reasonableness of significant estimates made by the Company's management, and the overall presentation of the financial statements.

We believe that our work and that of the Company's external auditors, detailed in their respective reports, provides a sufficient and appropriate basis to support our opinion. We have not performed any management control and, therefore, we have not assessed the business criteria and decisions on administrative, financing, commercialization and production matters, since these issues are the exclusive responsibility of the Company's Board of Directors.

#### IV. OPINION

Based on our review, within the scope described in Section III. of this report: (i) the parent company only financial statements mentioned in paragraph I., present fairly, in all material respects, the parent company only financial position of Grupo Clarín S.A. as of December 31, 2015, the results disclosed in the parent company only statement of comprehensive income and in the parent company only statement of cash flows for the year then ended, in accordance with Technical Resolution No. 26 issued by the FACPCE for parent company only financial statements of controlling companies; and (ii) the consolidated financial statements mentioned in paragraph I., present fairly, in all material respects, the consolidated financial position of Grupo Clarín S.A. and its subsidiaries as of December 31, 2015, and the results disclosed in the consolidated statement of comprehensive Income and in the consolidated statement of cash flows for the year then ended in accordance with the International Financial Reporting Standards.

#### V. EMPHASIS OF MATTER

Without qualifying our opinion, we would like to draw attention to the information disclosed under Notes 10.1.a., 10.1.b., 10.1.c., 11.2., 11.3. and 11.4.10. to the Parent Company Only Financial Statements and under Notes 8.1.a., 8.1.b., 8.1.c., 9.2., 9.3., and 9.4.10., to the consolidated financial statements, which describe the situations related to: (i) matters associated with the acquisition of Cablevisión S.A. and other companies and their subsequent merger with Multicanal S.A. and other companies; (ii) the change in the regulatory framework of the Telecommunications Sector as a result of the enactment of the law known as the "Digital Argentina Act", which implementing regulations have not been issued to date; (iii) the issuance of Emergency Decree No. 267/15 which introduced changes to the regulatory framework of the Audiovisual Communication Services and Telecommunications Sector, and through which the ENACOM was created as the enforcement authority of Laws Nos. 26,522 and 27,078; (iv) the resolution issued by the regulatory agency for the calculation of the monthly fee payable by the users of cable television services, which final

outcome cannot be foreseen as of the date of this report; and (v) the enactment of Law No. 19,307 in the Republic of Uruguay, which regulates the main activities of Adesol S.A., subsidiary of Cablevisión S.A., which implementing regulations have not been issued to date.

#### VI. REPORT ON COMPLIANCE WITH EFFECTIVE REGULATIONS

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

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

b) We have reviewed the Inventory and the Board of Directors’ Annual Report for the year ended December 31, 2015. 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, 2015 we have applied the procedures set forth in Section 294 of Argentine General Associations Law (Law No. 19,550, as amended), as deemed necessary based on the circumstances and we have no observations to make in that regard.

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 under CNV Regulations 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 applied.

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 9, 2016

Supervisory Committee

**Carlos Alberto Pedro Di Candia**  
Chairman

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